

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM F-10
REGISTRATION STATEMENT**
*UNDER
THE SECURITIES ACT OF 1933*

CYBIN INC.

(Exact name of Registrant as specified in its charter)

Ontario, Canada
(Province or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number, if applicable)

N/A
(I.R.S. Employer
Identification No., if applicable)

100 King Street West, Suite 5600
Toronto, Ontario, Canada M5X 1C9
(908) 764-8385
(Address and telephone number of Registrant's principal executive offices)

C T Corporation System
1015 15th Street N.W., Suite 1000
Washington, DC 20005
(202) 572-3133
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Copies to:

Douglas Drysdale
Cybin, Inc.
100 King Street West, Suite 5600
Toronto, Ontario, Canada M5X 1C9
(866) 292-4601

Richard Raymer
Dorsey & Whitney LLP
TD Canada Trust Tower
Brookfield Place, 161 Bay Street, Suite 4310
Toronto, Ontario
Canada, M5J 2S1
(416) 367-7388

Approximate date of commencement of proposed sale of the securities to the public:
From time to time after this Registration Statement becomes effective.

Province of Ontario, Canada
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box below):

- A. ☐ upon filing with the Commission pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. ☒ at some future date (check the appropriate box below):
- ☐ pursuant to Rule 467(b) on () at () (designate a time not sooner than 7 calendar days after filing).
 - ☐ pursuant to Rule 467(b) on () at () (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ().
 - ☒ pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
 - ☐ after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(2)
Common Shares			
Warrants			
Units			
Debt Securities			
Subscription Receipts			
Total	US\$98,750,000	US\$98,750,000	\$9,154.13

- (1) There are being registered under this registration statement such indeterminate number of Common Shares, Warrants, Units, Debt Securities and Subscription Receipts of the Registrant as shall have an aggregate initial offering price of up to CAD\$125,000,000. Any securities registered by this registration statement may be sold separately or as units with other securities registered under this registration statement. The proposed maximum initial offering price per security will be determined, from time to time, by the Registrant in connection with the sale of the securities under this registration statement. On September 29, 2021, the daily rate of exchange for one Canadian dollar as expressed in United States dollars, as reported by the Bank of Canada, was CAD\$1.00 = US\$0.79.
- (2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457 of the Securities Act of 1933, as amended (the "Securities Act").

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registration Statement shall become effective as provided in Rule 467 under the Securities Act or on such date as the Commission, acting pursuant to Section 8(a) of the Securities Act, may determine.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

SHORT FORM BASE SHELF PROSPECTUS



CYBIN INC.

\$125,000,000

Common Shares

Warrants

Units

Debt Securities

Subscription Receipts

This short form base shelf prospectus ("**Prospectus**") relates to the offering for sale from time to time (each, an "**Offering**") by Cybin Inc. (the "**Corporation**" or "**Cybin**") during the 25-month period that this Prospectus, including any of amendments thereto, remains valid, of up to \$125,000,000 in the aggregate of: (i) common shares ("**Common Shares**") of the Corporation; (ii) warrants ("**Warrants**") to purchase other Securities (as defined below) of the Corporation; (iii) units ("**Units**") comprising of one or more of the other Securities, (iv) senior and subordinated unsecured debt securities (collectively, "**Debt Securities**"), including debt securities convertible or exchangeable into other securities of the Corporation, and (v) subscription receipts ("**Subscription Receipts**") and together with the Common Shares, Warrants, Units and Debt Securities, collectively referred to herein as the "**Securities**"). The Securities may be offered separately or together, in amounts, at prices and on terms determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement ("**Prospectus Supplement**").

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements is available. Each Prospectus Supplement containing the specific terms of any Securities will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The specific terms of any Securities offered will be described in a Prospectus Supplement, including: (i) in the case of Common Shares, the number of Common Shares offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution) and any other specific terms; (ii) in the case of Warrants, the number of Warrants being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and any procedures that will result in the adjustment of those numbers, the exercise price, the dates and periods of exercise and any other specific terms; (iii) in the case of Units, the number of Units offered, the offering price, the designation, number and terms of the other Securities comprising the Units, and any other specific terms; (iv) in the case of Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinate, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; and (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (in the event the offering is a fixed price distribution), the manner of determining the offering price(s) (in the event the offering is a non-fixed price distribution), the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities, the designation, number and terms of such other Securities, and any other specific terms. A Prospectus Supplement relating to a particular Offering of Securities may include terms pertaining to the Securities being offered thereunder that are not within the terms and parameters described in this Prospectus.

The Securities may be sold through underwriters or dealers, directly by us pursuant to applicable statutory exemptions, or through designated agents from time to time. See "*Plan of Distribution*". The Prospectus Supplement relating to a particular Offering of Securities will identify each underwriter, dealer or agent, as the case may be, engaged by the Corporation in connection with the offering and sale of the Securities, and will set forth the terms of the Offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the Offering, the method of distribution of the Securities, the initial issue price (in the event that the offering is a fixed price distribution), the net proceeds to us and any other material terms of the plan of distribution.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. This Prospectus may qualify an "at-the-market distribution", as defined in National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**"). If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers including sales in transactions that are deemed to be "at-the-market distributions", including sales made directly on the Neo Exchange Inc. (the "**NEO**") or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the

[Table of Contents](#)

amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Corporation. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution. See “*Plan of Distribution*”.

This Prospectus does not qualify the issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates such as the London Inter-Bank Offered Rate (LIBOR), Euro Inter-Bank Offered Rate (EURIBOR) or a United States federal funds rate.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities or securities of the same class as the Securities distributed under the “at-the-market distribution”, including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

In connection with any Offering of the Securities, subject to applicable laws and other than an “at-the-market distribution”, the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “*Plan of Distribution*”.

The Common Shares are listed on the NEO under the trading symbol “CYBN”, and in the United States on the OTCQB under the trading symbol “CLXPF”. On July 2, 2021, the last trading day prior to the filing of this Prospectus, the closing prices of the Common Shares listed on the NEO and the OTCQB were \$2.60 and US\$2.12, respectively.

Unless specified in the applicable Prospectus Supplement, there is no market through which the Subscription Receipts, Warrants, Units and Debt Securities may be sold and purchasers may not be able to resell the Subscription Receipts, Warrants, Units and Debt Securities purchased under this Prospectus and the Prospectus Supplement. This may affect the pricing of the Subscription Receipts, Warrants, Units and Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts, Warrants, Units and Debt Securities and the extent of issuer regulation. See “*Risk Factors*”.

Prospective investors should be aware that the purchase of Securities may have tax consequences that may not be fully described in this Prospectus or in any Prospectus Supplement, and should carefully review the tax discussion, if any, in the applicable Prospectus Supplement and in any event consult with a tax advisor.

An investment in the Securities is subject to a number of risks, including those risks described in this Prospectus and documents incorporated by reference into this Prospectus. See “*Risk Factors*” in this Prospectus and in the Corporation’s Annual Information Form and Annual MD&A (each as defined herein) incorporated by reference herein.

No person is authorized by the Corporation to provide any information or to make any representation other than as contained in this Prospectus in connection with the issue and sale of the Securities offered hereunder.

No underwriter has been involved in the preparation of this Prospectus or performed any review of the contents hereof.

Each of Douglas Drysdale, Michael Palfreyman, Alex Nivorozhkin and Brett Green, officers of the Corporation, resides outside of Canada. They have each appointed Maxims CS Inc., Suite 1800, 181 Bay Street, Toronto, Ontario, M5J 2T9, as agent for service of process in Ontario. Prospective purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process, see “*Risk Factors – Risks Related to an Offering – Enforcement of Civil Liabilities*”.

In this Prospectus, references to the “**Corporation**”, “**Cybin**”, “**we**”, “**us**” and “**our**” refer to Cybin Inc. and/or, as applicable, one or more of its subsidiaries. The Corporation’s registered and head office is located at 100 King Street West, Suite 5600, Toronto, Ontario M5X 1C9.

The Corporation currently has two business segments: (a) Serenity Life Sciences Inc. (“Serenity Life”) and Cybin US Holdings Inc. (“Cybin U.S.”) that focus on the research, development and commercialization of psychedelic-inspired regulated medicines; and (b) Natures Journey Inc. (“Natures Journey”) that focuses on consumer mental wellness, including, but not limited to, non-psychedelic mushroom nutraceutical products. Like most life sciences and pharmaceutical companies, Serenity Life’s and Cybin U.S.’s (psychedelic) business is focused on research and development, see “*Use of Proceeds*”. Currently the Corporation plans to conduct research and development on synthesized API from pharmaceutical manufacturers in Jamaica. No product will be commercialized prior to applicable legal or regulatory approval.

The Canadian and United States federal governments regulate drugs through the *Controlled Drugs and Substances Act* (Canada) (the “CDSA”) and the *Controlled Substances Act* (21 U.S.C. § 811) (the “CSA”), respectively, which place controlled substances in a schedule. Under the CDSA, psilocybin is currently a Schedule III drug. Under the CSA, psilocybin is currently a Schedule I drug.

Unlike in Canada and the United States, psilocybin mushrooms are not an illegal drug under Jamaica’s *Dangerous Drugs Act, 1948*. The Corporation’s activity in relation to the sponsored research of psilocybin mushrooms, botanicals and other related fungi is limited to the jurisdiction of Jamaica. The Corporation’s future business activities in Jamaica involve the import of psychedelic and pharmaceutical based medicines (derived from mushrooms) for the purposes of research and development and clinical trials in Jamaica.

In both Canada and the United States, the applicable federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs, including any psychedelic substances, whether natural or novel. Health Canada, and the Food and Drug Administration (“FDA”) in the United States, have not approved psilocybin as a drug for any indication. It is illegal to possess such substances without a prescription. The Corporation does not directly engage in any activities that would trigger the need to comply with any federal laws related to psychedelic substances. See “*Regulatory Overview – Research and Development*”.

The Corporation does not deal with psychedelic substances except in jurisdictions where such activity is not illegal and then only within laboratory and clinical trial settings conducted within approved regulatory frameworks. The Corporation initially intends to sponsor and work with licensed third parties in Jamaica to conduct any clinical trials and research relating to psychedelics and currently does not handle controlled or restricted substances under the CDSA or CSA. If the Corporation were to conduct this work without reliance on third parties, it would need to obtain the required licenses, approvals and authorizations from Health Canada, the FDA or other applicable regulatory bodies. The Corporation does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates.

Natural health products (“NHPs”), prescription drugs, and non-prescription drugs are all classified and regulated under the federal *Food and Drugs Act* (Canada) (the “Canadian FDA”). Labelling, marketing and selling of any NHPs must comply with the Canadian FDA, including by ensuring that the Corporation’s products are not packaged or marketed in a manner that is misleading or deceptive to a consumer. In the United States, foods, drugs and dietary supplements are subject to extensive regulation. The *Federal Food, Drug, and Cosmetic Act* and the *Dietary Supplement Health and Education Act of 1994* generally govern, among other things, the research, development, testing, manufacturing, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of foods, drugs and dietary supplements. See “*Regulatory Overview – United States*”.

The Corporation’s operations are conducted in strict compliance with local laws where such activities are permissible and do not require any specific legal or regulatory approvals.

Given the early stage of its prescription drug product development, the Corporation can make no assurance that its research and development program will result in regulatory approval or commercially viable products. To achieve profitable operations, the Corporation, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Corporation currently has no products that have been approved by Health Canada, the Ministry of Health (Jamaica), the FDA, or any similar regulatory authority. To obtain regulatory approvals for its prescription drug product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the prescription drug product candidate are safe for human use and that they demonstrate efficacy. See “*Risk Factors*” herein and “*Risk Factors*” in the Annual Information Form.

Certain statements throughout this Prospectus regarding psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms have not been evaluated by Health Canada, the FDA or other similar regulatory authorities, nor has the efficacy of psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms been confirmed by approved research. There is no assurance that psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms can be used to diagnose, treat, cure or prevent any disease or condition and robust scientific research and clinical trials are needed. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues, including, but not limited to, regulatory changes or other changes in law, and risks related to drug development. See “*Risk Factors*” herein and “*Risk Factors*” in the Annual Information Form.

The Corporation oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Corporation’s senior executives and the employees responsible for overseeing compliance, the Corporation has local regulatory/compliance counsel engaged in every jurisdiction in which it operates. See “*Compliance Program*”. Additionally, the Corporation has received legal opinions or advice in each jurisdiction where it currently operates regarding (a) compliance with applicable regulatory frameworks and (b) potential exposure and implications arising from applicable laws in jurisdictions where the Corporation has operations or intends to operate.

For these reasons, the Corporation may be (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities, (b) susceptible to regulatory changes or other changes in law, and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Corporation. See “*Risk Factors*” herein and “*Risk Factors*” in the Annual Information Form.

An investment in the Securities is highly speculative and involves a high degree of risk that should be considered by potential purchasers. An investment in the Securities is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. A prospective purchaser should therefore review this Prospectus and the documents incorporated by reference herein in their entirety, including the Annual Information Form, and carefully consider the risk factors described under the section “*Risk Factors*” in this Prospectus, prior to investing in the Securities. See “*Cautionary Note Regarding Forward-Looking Information*” and “*Risk Factors*”.

TABLE OF CONTENTS

	Page
GENERAL MATTERS	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION	1
EXEMPTION	4
TRADEMARKS AND SERVICE MARKS	4
MARKETING MATERIALS	4
MARKET AND INDUSTRY DATA	4
DOCUMENTS INCORPORATED BY REFERENCE	5
THE CORPORATION	6
REGULATORY OVERVIEW	9
COMPLIANCE PROGRAM	23
CONSOLIDATED CAPITALIZATION	23
USE OF PROCEEDS	24
DIVIDEND POLICY	25
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	26
PLAN OF DISTRIBUTION	30
RISK FACTORS	31
CERTAIN FEDERAL INCOME TAX CONSIDERATIONS	36
LEGAL MATTERS	36
AUDITORS, TRANSFER AGENT AND REGISTRAR	37

GENERAL MATTERS

Investors should rely only on the information contained in or incorporated by reference into this Prospectus or any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide investors with different information. **Information contained on the Corporation's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein or in any applicable Prospectus Supplement and may not be relied upon by prospective investors for the purpose of determining whether to invest in the Securities qualified for distribution under this Prospectus.** The Corporation is not making an offer of these Securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus or the date of the relevant document incorporated by reference. The Corporation's business, operating results, financial condition and prospects may have changed since that date.

The information contained on www.cybin.com is not intended to be included in or incorporated by reference herein, and prospective purchasers should not rely on such information when deciding whether or not to invest in any Securities.

In this Prospectus, unless stated otherwise or the context requires otherwise, all dollar amounts are expressed in Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Prospectus, and in certain documents incorporated by reference in this Prospectus, constitute "forward-looking information" and "forward-looking statements". All statements other than statements of historical fact contained in this Prospectus and in documents incorporated by reference in this Prospectus, including, without limitation, those regarding the Corporation's future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where the Corporation participates or is seeking to participate, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should", "objective", "assumes" or similar expressions or the negative thereof, are forward-looking statements.

These statements are not historical facts but instead represent only the Corporation's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*" in the Annual Information Form and in this Prospectus and in other documents incorporated by reference in this Prospectus. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this Prospectus and in documents incorporated by reference in this Prospectus are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. These forward-looking statements are made as of the date of this Prospectus and the Corporation assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in this Prospectus and in documents incorporated by reference in this Prospectus are based on numerous assumptions regarding the Corporation's present and future business strategies and the environment in which the Corporation will operate in the future, including assumptions regarding business and operating strategies, and the Corporation's ability to operate on a profitable basis.

[Table of Contents](#)

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: novel coronavirus “COVID-19”; limited operating history; achieving publicly announced milestones; speculative nature of investment risk; early stage of the industry and product development; regulatory risks and uncertainties; Jamaican operations; emerging market risk; plans for growth; limited products; limited marketing and sales capabilities; no assurance of commercial success; no profits or significant revenues; reliance on third parties for clinical development activities; risks related to third party relationships; reliance on contract manufacturers; safety and efficacy of products; clinical testing and commercializing products; completion of clinical trials; commercial grade product manufacturing; nature of regulatory approvals; unfavourable publicity or consumer perception; social media; biotechnology and pharmaceutical market competition; reliance on key executives and scientists; employee misconduct; business expansion and growth; negative results of external clinical trials or studies; product liability; enforcing contracts; product recalls; distribution and supply chain interruption; difficulty to forecast; promoting the brand; product viability; success of quality control systems; reliance on key inputs; liability arising from fraudulent or illegal activity; operating risk and insurance coverage; costs of operating as public company; management of growth; conflicts of interest; foreign operations; cybersecurity and privacy risk; environmental regulation and risks; Risks Related to Intellectual Property: trademark protection; trade secrets; patent law reform; patent litigation and intellectual property; protection of intellectual property; third-party licences; Financial and Accounting Risks: substantial number of authorized but unissued common shares; dilution; negative cash flow from operating activities; additional capital requirements; lack of significant product revenue; estimates or judgments relating to critical accounting policies; Risks related to the Common Shares: market for the Common Shares; significant sales of Common Shares; volatile market price for the Common Shares; tax issues; no dividends; Risks related to an Offering and the Corporation: an investment in the Securities is speculative; completion of an Offering; receipt of all regulatory and stock exchange approvals in respect of an Offering; forward-looking statements may prove to be inaccurate; potential dilution; potential need for additional financing; negative operating cash flow and going concern; discretion over the use of proceeds; management of growth; the Common Shares are subject to market price volatility; no history of payment of cash dividends; limited operating history as a public company; and risks relating to research and development objectives and milestones.

Although the forward-looking statements contained in this Prospectus are based upon what management currently believes to be reasonable assumptions, the Corporation cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. In particular, the Corporation has made assumptions regarding, among other things:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- uncertainty as to the Corporation’s ability to raise additional funding to support operations;
- the Corporation’s ability to access additional funding;
- the fluctuation of foreign exchange rates;
- the duration of COVID-19 and the extent of its economic and social impact;
- the risks associated with the development of the Corporation’s product candidates which are at early stages of development;
- reliance upon industry publications as the Corporation’s primary sources for third-party industry data and forecasts;
- reliance on third parties to plan, conduct and monitor the Corporation’s preclinical studies and clinical trials;
- reliance on third party contract manufacturers to deliver quality clinical and preclinical materials;
- the Corporation’s product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;

[Table of Contents](#)

- risks related to filing investigational new drug applications to commence clinical trials and to continue clinical trials if approved;
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients;
- competition from other biotechnology and pharmaceutical companies;
- the Corporation's reliance on the capabilities and experience of the Corporation's key executives and scientists and the resulting loss of any of these individuals;
- the Corporation's ability to fully realize the benefits of acquisitions;
- the Corporation's ability to adequately protect the Corporation's intellectual property and trade secrets;
- the risk of patent-related or other litigation; and
- the risk of unforeseen changes to the laws or regulations in the United States, Jamaica and Canada and other jurisdictions in which the Corporation operates.

Drug development involves long lead times, is very expensive and involves many variables of uncertainty. Anticipated timelines regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Corporation. Every patient treated on future studies can change those assumptions either positively (to indicate a faster timeline to new drug applications and other approvals) or negatively (to indicate a slower timeline to new drug applications and other approvals). This Prospectus and the documents incorporated by reference herein contain certain forward-looking statements regarding anticipated or possible drug development timelines. Such statements are informed by, among other things, regulatory guidelines for developing a drug with safety studies, proof of concept studies, and pivotal studies for new drug application submission and approval, and assumes the success of implementation and results of such studies on timelines indicated as possible by such guidelines, other industry examples, and the Corporation's development efforts to date.

In addition to the factors set out above and those identified under the heading "*Risk Factors*" in the Annual Information Form and in this Prospectus, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although the Corporation has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

Many of these factors are beyond the Corporation's ability to control or predict. These factors are not intended to represent a complete list of the general or specific factors that may affect the Corporation. The Corporation may note additional factors elsewhere in this Prospectus and in any documents incorporated by reference into this Prospectus. All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to the Corporation, or persons acting on the Corporation's behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, the Corporation undertakes no obligation to update any forward-looking statement.

The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified in their entirety by the foregoing cautionary statement. Investors should read this entire Prospectus, including the Annual Information Form, the documents incorporated by reference herein, and each applicable Prospectus Supplement, and consult their own professional advisers to ascertain and assess the income tax and legal risks and other aspects associated with holding Securities.

EXEMPTION

Pursuant to a decision of the Autorité des marchés financiers dated June 10, 2021, the Corporation was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference therein and any Prospectus Supplement to be filed in relation to an “at-the-market distribution”. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an “at-the-market distribution”) be translated into French if the Corporation offers Securities to Québec purchasers in connection with an Offering of Securities other than in relation to an “at-the-market distribution”.

TRADEMARKS AND SERVICE MARKS

This prospectus includes trademarks, trade names and service marks which are protected under applicable intellectual property laws for use in connection with the operation of our business, and which are the property of the Corporation. All other trade names, trademarks or service marks appearing in this prospectus that are not identified as marks owned by us are the property of their respective owners. Solely for convenience, trademarks, service marks and trade names referred to in this prospectus may be listed without the ®, (TM) and (sm) symbols, however, we will assert, to the fullest extent under applicable law, our applicable rights in these trademarks, service marks and trade names.

MARKETING MATERIALS

Any template version of marketing materials (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized in connection with the distribution of Securities will be filed under the Corporation’s profile on www.sedar.com (SEDAR). In the event that such marketing materials are filed after the date of the applicable Prospectus Supplement for the offering and before termination of the distribution of such Securities, such filed versions of the marketing materials will be deemed to be incorporated by reference into the applicable Prospectus Supplement for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

MARKET AND INDUSTRY DATA

Market and industry data contained and incorporated by reference in this Prospectus or any applicable Prospectus Supplement concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Corporation believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions upon which projections of future trends are based. While the Corporation is not aware of any misstatements regarding the industry data presented herein, the Corporation’s estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “*Cautionary Note Regarding Forward-Looking Information*” and “*Risk Factors*” in this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at 100 King Street West, Suite 5600, Toronto, Ontario M5X 1C9, telephone (908) 764-8385, and are also available electronically on SEDAR.

The following documents of the Corporation filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. [annual information form of the Corporation dated June 24, 2021 \(the “Annual Information Form”\) for the year ended March 31, 2021;](#)
2. [the audited consolidated financial statements of the Corporation and the notes thereto as at and for the fiscal year ended March 31, 2021, together with the auditor’s report thereon \(the “Annual Financial Statements”\);](#)
3. [management’s discussion and analysis of the Corporation for the year ended March 31, 2021 \(the “Annual MD&A”\);](#)
4. [management information circular of the Corporation dated April 22, 2021 relating to a special meeting of shareholders of the Corporation held on May 21, 2021;](#)
5. [management information circular of Clarmin Exploration Inc. \(now the Corporation\) date July 15, 2020 relating to an annual and special meeting of shareholders held August 13, 2020; and](#)
6. [business acquisition report dated January 22, 2021 in respect of the Corporation’s acquisition of Adelia Therapeutics Inc. \(the “Adelia Transaction”\), see “Select Recent Developments”.](#)

Any document of the type referred to in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Corporation with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and prior to 25 months from the date hereof shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes that statement. Any statement so modified or superseded shall not constitute a part of this Prospectus except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Upon filing of a new annual information form and related annual financial statements with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, including all amendments thereto, the previous annual financial statements and all interim financial statements (including any interim period management’s discussion and analysis related thereto), material change reports and management information circulars filed prior to the commencement of the fiscal year in which the new annual information form is filed, shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of any Securities offered thereunder will be delivered to purchasers of such Securities together with this Prospectus to the extent required under applicable securities laws and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement solely for the purposes of the Securities offered hereunder and thereunder.

THE CORPORATION

This summary does not contain all the information that may be important to you in deciding whether to invest in the Securities. You should read the entire Prospectus, including the section entitled “Risk Factors”, the applicable Prospectus Supplement, and the documents incorporated by reference herein, including the Annual Information Form, before making such decision.

Summary of the Business

The Corporation is a biotechnology company focused on advancing pharmaceutical therapies, delivery mechanisms, novel compounds and protocols as potential therapies for various psychiatric and neurological conditions. The Corporation is developing technologies and delivery systems aiming to improve the pharmacokinetics of its psychedelic molecules while retaining the therapeutics benefit. The new molecules and delivery systems are expected to be studied through clinical trials to confirm safety and efficacy.

The Corporation believes that there is presently a sizeable legal market for psychedelic pharmaceutical and nutraceutical products and, further, believes that there is a promising prospect for a strong, legal psychedelic pharmaceutical and nutraceutical industry to emerge globally. In particular, although the legal market for psychedelic pharmaceutical products is presently limited, globally, and in some jurisdictions it is still in its early stages, the Corporation believes that, in time, owing to generally increased acceptance and regulation of psychedelic-based treatments, this will give way to the emergence of numerous and sizable opportunities for market participants, including the Corporation.

Psychedelics are progressively emerging as potential alternative candidates for conventional therapies for individuals suffering from elusive maladies like post-traumatic stress disorder (“**PTSD**”), addiction, anxiety, and depression.¹ For example, in August of 2020, as a result of the efforts of TheraPsil, a non-profit coalition that advocates for a legal, Special Access Programme access to psilocybin therapy for palliative care of Canadians, four Canadians with incurable cancer were approved by the Canadian federal Minister of Health, to use psilocybin therapy in the treatment of their end-of-life distress.²

As of the date of this Prospectus, certain synthetic psychoactive tryptamines and phenethylamines are being researched as candidates for the treatment of several psychiatric conditions, such as PTSD and depression.³ In 2018 and 2019, for example, the FDA granted breakthrough therapy designation for psilocybin for use as a candidate in the treatment of Major Depressive Disorder (“**MDD**”).⁴ At present, treatments for such conditions are limited in effectiveness, with some traditional treatment methods posing a heightened risk of complications. By contrast, the Corporation expects that psychoactive compounds, such as psilocybin, may in time also emerge as a safer and healthier medical treatment alternative for various ailments.

¹ <https://www.baystreet.ca/stockstowatch/7145/Magic-Mushroom-Market-Set-to-Grow-10-Feet-Tall>.

² <https://www.forbes.com/sites/davidcarpenter/2020/08/08/four-terminally-ill-canadians-gain-legal-right-to-use-magic-mushrooms-for-end-of-life-distress/#3194f50a2bdf>.

³ <https://www.healtheuropa.eu/worlds-first-magic-mushroom-nasal-spray-for-ptsd-and-depression/95434/>.

⁴ <https://www.biopharmaglobal.com/2019/11/26/sona-institute-receives-fda-breakthrough-therapy-designation-for-psilocybin-for-the-treatment-of-major-depressive-disorder/>.

[Table of Contents](#)

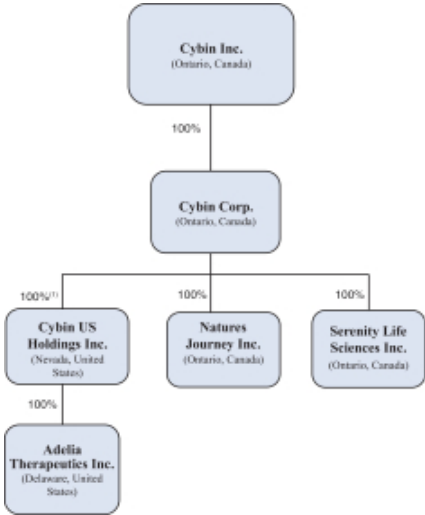
The Corporation’s target market is focused on psychedelic pharmaceutical and non-psychedelic products. The Corporation views its synthetic psychedelic substances as boosters for the brain that can potentially rebuild pathways and break negative patterns all while looking at non-psychedelic medical extracts as the next wave of nutraceuticals that can potentially optimize overall health.⁵

The Corporation currently has two business segments: (a) Serenity Life and Cybin U.S. that focus on the research and development of psychedelic pharmaceutical products; and (b) Natures Journey that focuses on consumer mental wellness, including non-psychedelic nutraceutical products.

For additional information in respect of the Corporation and its operation, please see the Corporation’s Annual Information Form incorporated by reference into this Prospectus.

Inter-Corporate Relationships

As at the date of this Prospectus, the Corporation’s corporate structure includes the following material wholly-owned subsidiaries:



Note: (1) The Adelia Shareholders (defined below) hold certain non-voting securities of Cybin US, see “*Select Recent Developments*” below.

⁵ Certain statements regarding psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms have not been evaluated by Health Canada, the FDA or other similar regulatory authorities, nor has the efficacy of psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms been confirmed by approved research. There is no assurance that psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms can be used to diagnose, treat, cure or prevent any disease or condition and robust scientific research and clinical trials are needed. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Since the outbreak of COVID-19, the Corporation has focused its efforts on safeguarding the health and well-being of its employees, consultants and community members. To help slow the spread of COVID-19, the Corporation's employees have been working remotely, where possible, and abiding by local and national guidance put in place in Canada, the United States, and Jamaica related to social distancing and restrictions on travel outside of the home. The Corporation has and will continue to abide by the protocols within Canada, the United States, and Jamaica regarding the performance of work activities. The duration and the immediate and eventual impact of the COVID-19 pandemic remains unknown. In particular, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. In the event that the operations or development of the Corporation are suspended or scaled back, or if the Corporation's supply chains are disrupted, such events may have a material adverse effect on the Corporation. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse effect on the Corporation.

For additional information see *"Risk Factors – Risks Related to the Business of the Corporation – Novel Coronavirus COVID-19"*.

Select Recent Developments

On December 4, 2020, the Corporation entered into a contribution agreement (the **"Contribution Agreement"**) with Cybin Corp., Cybin U.S. and all of the shareholders (the **"Adelia Shareholders"**) of Adelia Therapeutics Inc. (**"Adelia"**) whereby Cybin U.S. agreed to purchase from the Adelia Shareholders all of the issued and outstanding Adelia shares in exchange for the Class B Shares. The Adelia Transaction closed on December 14, 2020.

Pursuant to the Contribution Agreement and the support agreement entered into among Cybin U.S. and the Adelia Shareholders (the **"Support Agreement"**), the Adelia Shareholders received non-voting Class B common shares in the capital of Cybin U.S. (each a **"Class B Share"**), which are exchangeable for Common Shares, on a 10 Common Shares for 1 Class B Share basis, at the option of the holder thereof, subject to customary adjustments. The Class B Shares issued to the Adelia Shareholders on the closing of the Adelia Transaction are exchangeable for a total of 8,688,330 Common Shares. The aggregate value of the Class B Shares to be issued to the Adelia Shareholders on the closing of the Adelia Transaction was \$10,773,529.50.

Under the Contribution Agreement, the Adelia Shareholders are also entitled to Class B Shares upon the occurrence of certain milestones as set out in the Contribution Agreement, which are also exchangeable for Common Shares on a 10 Common Shares for 1 Class B Share basis. The total value of the Class B Shares issuable pursuant to the milestones is up to \$9,388,045.50 assuming all milestones are met prior to the applicable deadlines. In March, 2021, pursuant to the terms of the Contribution Agreement, an aggregate of 42,247.3 Class B Shares were issued to the Adelia Shareholders in satisfaction of \$686,306.31 due to them upon meeting the certain relevant milestone.

No Class B Shares are exchangeable prior to the first anniversary of closing of the Adelia Transaction, and not more than: (i) 33 1/3% of the Class B Shares will be exchangeable prior to the second anniversary of the Adelia Transaction; (ii) 66 2/3% of the Class B Shares will be exchangeable prior to the third anniversary of the Adelia Transaction; and (iii) thereafter, 100% of the Class B Shares will be exchangeable. The Class B Shares issued to the Adelia Shareholders are exchangeable for a total of 511,631 Common Shares, resulting in an effective issue price of \$1.99 per Common Share.

REGULATORY OVERVIEW

A summary of the applicable regulatory framework for the Corporation's various business segments and proposed business activity are set forth below.

<u>Business Segment</u>	<u>Current/Proposed Location of Operation</u>	<u>Summary of Applicable Regulatory Frameworks</u>
Serenity Life & Cybin U.S.(1)	Canada, United Kingdom, United States & Jamaica	The Canadian and United States federal governments regulate drugs through the CDSA and the CSA, respectively, which place controlled substances in a schedule.(2) Under the CDSA, psilocybin is currently a Schedule III drug.(3) Under the CSA, psilocybin is currently a Schedule I drug.(4) Misuse of Drugs Regulations 2001 and the Misuse of Drugs Regulations 2001
Natures Journey(5)	Canada and the United States	<i>Food and Drugs Act</i> (Canada) <i>Dietary Supplement Health and Education Act of 1994</i> <i>The Federal Food, Drug, and Cosmetic Act</i>
Jamaica Research & Development	Jamaica	Psilocybin mushrooms are not an illegal drug under Jamaica's <i>Dangerous Drugs Act, 1948</i>.(6) The Corporation's activity in relation to the sponsored research of psilocybin mushrooms, botanicals and other related fungi is limited to the jurisdiction of Jamaica.

Notes:

- (1) Business segment focuses on the research, development and commercialization of psychedelic-inspired regulation medicines.
- (2) In both Canada and the United States, the applicable federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs, including any psychedelic substances, whether natural or novel. Health Canada and the FDA have not approved psilocybin as a drug for any indication. It is illegal to possess such substances without a prescription. The Corporation does not directly engage in any activities that would trigger the need to comply with any federal laws related to psychedelic substances. See "*Regulatory Overview – Research and Development*".
- (3) For further information on the Canadian regulatory framework, see "*Regulatory Overview – Canada – Psychedelics*."
- (4) For further information on the United States regulatory framework, see "*Regulatory Overview – United States*."
- (5) Business segment focuses on consumer mental wellness, including non-psychedelic mushroom nutraceutical products.
- (6) Psilocybin mushrooms do not fall within the definition of a dangerous drug under the *Dangerous Drugs Act, 1948* in Jamaica. For further information on the Jamaica regulatory framework, see "*Regulatory Overview – Jamaica*."

Canada

Psychedelics

In Canada, oversight of healthcare is divided between the federal and provincial governments. The federal government is responsible for regulating, among other things, the approval, import, sale, and marketing of drugs such as psilocybin and other psychedelic substances, whether natural or novel. The provincial/territorial level of government has authority over the delivery of health care services, including regulating health facilities, administering health insurance plans such as the Ontario Health Insurance Plan, distributing prescription drugs within the province, and regulating health professionals such as doctors, psychologists, psychotherapists and nurse practitioners. Regulation is generally overseen by various colleges formed for that purpose, such as the College of Physicians and Surgeons of Ontario.

Certain psychoactive compounds, such as psilocybin, are considered controlled substances under Schedule III of the CDSA. In order to conduct any scientific research, including pre-clinical and clinical trials, using psychoactive compounds listed as controlled substances under the CDSA, an exemption under Section 56 of the CDSA ("**Section 56 Exemption**") is required. This exemption allows the holder to possess and use the controlled substance without being subject to the restrictions set out in the CDSA. The Corporation has not applied for a Section 56 Exemption from Health Canada.

The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. A party may seek government approval for a Section 56 Exemption to allow for the possession, transport or production of a controlled substance for medical or scientific purposes. Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for a Dealer's Licence under the Food and Drug Regulations (Part J). In order to qualify as a licensed dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (*Controlled Drugs and Substances Act, Food and Drugs Regulations*) and subject to any restrictions placed on the licence by Health Canada, an entity with a Dealer's Licence may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drugs Regulations – which includes psilocybin and psilocin) (see s. J.01.009 (1) of the Food and Drug Regulations).

The Corporation intends to sponsor and work with licensed third parties to conduct any clinical trials and research and does not handle controlled substances. If the Corporation were to conduct this work without the reliance on third parties, it would need to obtain additional licences and approvals described above.

Non-Psychedelics

NHPs, prescription drugs, and non-prescription drugs are all classified and regulated under the Canadian FDA.

The product safety, quality, manufacturing, packaging, labeling, storage, importation, advertising, distribution, sale and clinical trials of NHPs, drugs, cosmetics and foods are subject to regulation primarily under the Canadian FDA and associated regulations, including the Food and Drug Regulations, Cosmetic Regulations and the Natural Health Products Regulations, and related Health Canada guidance documents and policies (collectively, the "**Canadian Regulations**"). In addition, drugs and NHPs are regulated under the federal *Controlled Drugs and Substances Act* if the product is considered a "controlled substance" or a "precursor," as defined in that statute or in related regulatory provisions.

Health Canada is primarily responsible for administering the Canadian Regulations.

Health Canada and the Canadian Regulations also set out requirements for establishment and site licences, market authorization for drugs and NHP licences. Each NHP must have a product licence or a Homeopathic

Medicine Number (“**DIN-HM**”) issued by Health Canada before it can be sold in Canada. Health Canada assigns a natural health product number (“**NPN**”) to each NHP once Health Canada issues the licence for that NHP. The Canadian Regulations require that all drugs and NHPs be manufactured, packaged, labeled, imported, distributed and stored under Canadian Good Manufacturing Practices (“**GMP**”) or the equivalent thereto, and that all premises used for manufacturing, packaging, labeling and importing drugs and NHPs have a site licence (NHPs) or establishment licence (drugs), which requires GMP compliance. The Canadian Regulations also set out requirements for labeling, packaging, clinical trials and adverse reaction reporting.

Health Canada and the Canadian Regulations, among other things, govern the manufacture, formulation, packaging, labeling, advertising and sale of NHPs and drugs, and regulate what may be represented on labels and in promotional materials regarding the claimed properties of products. The Canadian Regulations also require NHPs and drugs sold in Canada to affix a label showing specified information, such as the proper and common name of the medicinal and non-medicinal ingredients and their source, the name and address of the manufacturer/product licence holder, its lot number, adequate directions for use, a quantitative list of its medical ingredients and its expiration date. In addition, the Canadian Regulations require labeling to bear evidence of the marketing authorization as evidenced by the designation drug identification number, DIN-HM or NPN, followed by an eight-digit number assigned to the product and issued by Health Canada.

The Corporation’s expected nutraceutical products will be considered “food” and, as such, will be principally regulated under the Canadian FDA and the Canadian Regulations. The Corporation must ensure that the labelling, marketing and selling of any of its products comply with the Canadian FDA, including by ensuring that the Corporation’s products are not packaged or marketed in a manner that is misleading or deceptive to a consumer.

See “*Description of the Business—Research and Development*” in the Corporation’s Annual Information Form for additional information concerning the regulation applicable to the process required before prescription drug product candidates may be marketed in Canada.

United States

The FDA and other federal, state, local and foreign regulatory agencies impose substantial requirements upon the clinical development, approval, labeling, manufacture, marketing and distribution of drug products. These agencies regulate, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any prescription drug product candidates or commercial products. The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Moreover, failure to comply with applicable FDA or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market. The Corporation intends to file an investigational new drug application (“**IND**”) with the FDA in the first half of 2021.⁶

Psilocybin, psilocin, dimethyltryptamine, and 5-Methoxy-N-N-dimethyltryptamine are strictly controlled under the CSA as Schedule I substances. Schedule I substances by definition have no currently accepted medical use in the United States, a lack of accepted safety for use under medical supervision, and a high potential for abuse. Schedule I and II drugs are subject to the strictest controls under the CSA, including manufacturing and procurement quotas, security requirements and criteria for importation. Anyone wishing to conduct research on

⁶ The Corporation has not yet held a pre-IND meeting with the FDA, in preparation for the filing of an IND application for the Sublingual Film. The Corporation has assumed that the FDA will grant such a Pre-IND meeting and that it will be able to complete the IND approval process; however, there is no guarantee that any such IND application will be accepted or granted by FDA. The Corporation has contracted with IntelgenX to develop a sublingual film formulation of psilocybin. IntelgenX has produced multiple formulation types but the final formulation has not been selected. Successful completion of formulation is necessary before clinical trials supplies can be provided to investigators.

[Table of Contents](#)

substances listed in Schedule I under the CSA must register with the U.S. Drug Enforcement Administration (“**DEA**”), and obtain DEA approval of the research proposal.

See “*Description of the Business – Research and Development*” in the Corporation’s Annual Information Form for additional information concerning the regulation applicable to the process required before prescription drug product candidates may be marketed in the United States.

The FDA also regulates the formulation, manufacturing, preparation, packaging, labeling, holding, and distribution of foods, drugs and dietary supplements under the *Federal Food, Drug and Cosmetic Act* (“**FFDCA**”) and the *Dietary Supplement Health and Education Act of 1994* (“**DSHEA**”). “Dietary supplements” are defined as vitamins, minerals, herbs, other botanicals, amino acids and other dietary substances for human use to supplement the diet, as well as concentrates, metabolites, constituents, extracts or combinations of such dietary ingredients. Generally, under DSHEA, dietary ingredients that were on the market prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. New dietary ingredients (i.e., not marketed in the U.S. prior to October 15, 1994) must be the subject of a new dietary ingredient notification submitted to the FDA unless the ingredient has been “present in the food supply as an article used for food” without being “chemically altered.” A new dietary ingredient notification must provide the FDA with evidence of a “history of use or other evidence of safety” establishing that use of the dietary ingredient, when used under the conditions recommended or suggested in the labeling of the dietary supplement, “will reasonably be expected to be safe.” A new dietary ingredient notification must be submitted to the FDA at least 75 days before the initial marketing of the new dietary ingredient. There can be no assurance that the FDA will accept the evidence of safety for any new dietary ingredients that the Corporation may want to market, and the FDA’s refusal to accept such evidence could prevent the marketing of such dietary ingredients.

The DSHEA revised the provisions of the FFDCA concerning the composition and labeling of dietary supplement ingredients and products. Under the DSHEA, dietary supplement labeling must include the statement of identity (name of the dietary supplement), the net quantity of contents statement (amount of the dietary supplement), the nutrition labeling, the ingredient list, and the name and place of business of the manufacturer, packer, or distributor. The DSHEA also states that dietary supplements may display “statements of nutritional support,” provided certain requirements are met. Such statements must be submitted to the FDA within 30 days of first use in marketing and must be accompanied by a label disclosure that “This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.” Such statements may describe how a particular dietary ingredient affects the structure, function or general well-being of the body, or the mechanism of action by which a dietary ingredient may affect body structure, function or well-being, but may not expressly or implicitly represent that a dietary supplement will diagnose, cure, mitigate, treat, or prevent a disease. Any statement of nutritional support the Corporation makes in labeling must possess scientific evidence substantiating that the statement is truthful and not misleading. If the FDA were to determine that a particular statement of nutritional support was an unacceptable drug claim or an unauthorized version of a health claim about disease risk reduction for a food product, or if the FDA were to determine that a particular claim was not adequately supported by existing scientific data or was false or misleading, the Corporation would be prevented from using that claim. In addition, the FDA deems promotional and internet materials as labeling; therefore, the Corporation’s promotional and internet materials must comply with FDA requirements and could be the subject of regulatory action by the FDA, or by the Federal Trade Commission (the “**FTC**”) if that agency or other governmental authorities, reviewing the materials as advertising, considers the materials false and misleading.

U.S. laws also require recordkeeping and reporting to the FDA of all serious adverse events involving dietary supplements products. The Corporation will need to comply with such recordkeeping and reporting requirements, and implement procedures governing adverse event identification, investigation and reporting. As a result of reported adverse events, health and safety risks or violations of applicable laws and regulations, the Corporation may from time to time elect, or be required, to recall, withdraw or remove a product from a market, either temporarily or permanently.

[Table of Contents](#)

The Corporation's expected nutraceutical products will be considered "food" and must be labeled as such. Within the U.S., this category of products is subject to the federal *Nutrition, Labeling and Education Act* ("**NLEA**"), and regulations promulgated under the NLEA. The NLEA regulates health claims, ingredient labeling and nutrient content claims characterizing the level of a nutrient in the product. The ingredients in conventional foods must either be generally recognized as safe by experts for the purposes to which they are put in foods, or be approved as food additives under FDA regulations. If the Corporation's expected nutraceutical products were regulated as foods, it would be required to comply with the *Federal Food Safety & Modernization Act* and applicable regulations. The Corporation would be required to provide foreign supplier certifications evidencing the Corporation's compliance with FDA requirements.

The FDA has broad authority to enforce the provisions of the FFDCa applicable to foods, drugs, dietary supplements, and cosmetics, including powers to issue a public warning letter to a company, to publicize information about illegal or harmful products, to request a recall of products from the market, and to request the United States Department of Justice to initiate a seizure action, an injunction action, or a criminal prosecution in the U. S. courts. The Corporation could be subject to fines and penalties, including under administrative, civil and criminal laws for violating U.S. laws and regulations, and the Corporation's expected nutraceutical products could be banned or subject to recall from the marketplace. The Corporation could also be subject to possible business and consumer claims under applicable statutory, product liability and common laws.

The FTC will exercise jurisdiction over the advertising of the Corporation's expected nutraceutical products in the United States. The FTC has in the past instituted enforcement actions against several dietary supplement and food companies and against manufacturers of dietary supplement products, including for false and misleading advertising, label claims or product promotional claims. In addition, the FTC has increased its scrutiny of the use of testimonials, which the Corporation may utilize, as well as the role of endorsements and product clinical studies. The Corporation cannot be sure that the FTC, or comparable foreign agencies, will not question the Corporation's advertising, product claims, promotional materials or other operations in the future. The FTC has broad authority to enforce its laws and regulations, including the ability to institute enforcement actions that could result in recall actions, consent decrees, injunctions, and civil and criminal penalties by the companies involved. Failure to comply with the FTC's laws and regulations could impair the Corporation's ability to market the Corporation's expected nutraceutical products.

The Corporation will also be subject to regulation under various state and local laws, ordinances and regulations that include provisions governing, among other things, the registration, formulation, manufacturing, packaging, labeling, advertising, sale and distribution of foods and dietary supplements. In addition, in the future, the Corporation may become subject to additional laws or regulations administered by the FDA or by other federal, state, local or foreign governmental authorities, to the repeal of laws or regulations that the Corporation considers favorable, or to more stringent interpretations of current laws or regulations. In the future, the Corporation believes that the dietary supplement industry will likely face increased scrutiny from federal, state and local governmental authorities. It is difficult to predict the effect future laws, regulations, repeals or interpretations will have on the Corporation's business. However, such changes could require the reformulation of products, recalls or discontinuance of products, additional administrative requirements, revised or additional labeling, increased scientific substantiation or other requirements. Any such changes could have a material adverse effect on the Corporation's business or financial performance.

Jamaica

Psilocybin mushrooms do not fall within the definition of a dangerous drug under the *Dangerous Drugs Act* (the "**DDA**") in Jamaica. The Corporation's future business activities in Jamaica involve the import of psychedelic and pharmaceutical based medicines (derived from mushrooms) for the purposes of conducting research and development as well as testing on human subjects i.e., clinical trials in Jamaica. It is intended that the clinical trials will be conducted by the University of West Indies ("**UWI**") and the Corporation will act as a sponsor (the "**Clinical Trials**").

[Table of Contents](#)

The process of conducting clinical trials in Jamaica is governed by the Ministry of Health, Jamaica Guidelines for the Conduct of Research on Human Subjects (the “**Guidelines**”). The Corporation and the UWI would be required to ensure that the clinical trials are being conducted in accordance with these Guidelines. The Guidelines provide that prior to conducting research on human subjects, all researchers (i.e., academics, scientists, students, and investigators) are required to prepare a research protocol/proposal.

Research protocols should be submitted to the Medical Officer of Health in the parish where the proposed research is to be conducted, for evaluation of the ethical and scientific merits. Where the site of the proposed research includes a hospital, the Senior Medical Officer of the facility should also receive a copy of the research protocol, and his/her approval to conduct the study should be obtained.

The regulation of the sale, manufacturing, importation and distribution of drugs in Jamaica is largely governed by the *Food & Drugs Act, 1964* (the “**Jamaica FDA**”) and the *Food and Drugs Regulations, 1975* (the “**Regulations**”). Section 4 of the Jamaica FDA prohibits the importation of any drug into Jamaica unless it conforms to the law of the country in which it was manufactured or produced and is accompanied by a certificate declaring that the drug does not contravene any known laws of that country and that its sale therein for consumption or use by or for man or animal, as the case may be, would not constitute a violation of the laws of that country.

Regulation 40 stipulates that, a person shall not sell, manufacture, import or distribute a drug unless that drug has been registered with the MOH. The Regulations further state that a permit must be obtained from the Ministry of Health Jamaica (“**MOH**”) for the sale, manufacturing, importation and distribution of drugs into Jamaica. Additionally, Regulation 65 states that a person shall not import, sell, advertise for sale, or manufacture a new drug in Jamaica unless that person has obtained a licence from the MOH.

Failure to comply with section 4 of the Jamaica FDA shall result in such person being guilty of an offence and liable to a fine not exceeding J\$1,000,000 (approximately US\$6,711) or to imprisonment with or without hard labour for a term not exceeding twelve months. Where a person committing an offence under the Jamaica FDA is a corporation, the chairman, president, the officers and every director thereof concerned in the management of such corporation, shall also be guilty of the same offence unless he/she proves that the act or omission constituting the offence took place without his/her knowledge or that he/she exercised all due diligence to prevent the commission thereof.

Regulation 87 provides that any person who fails to comply with the Regulations shall be guilty of an offence and shall be liable to a fine not exceeding J\$2,000 (approximately US\$13) or to imprisonment for a term not exceeding twelve months.

In the event that the Clinical Trials include the preparation and manufacture of precursor chemicals, then the *Precursor Chemicals Act* (the “**PCA**”) may be applicable to the Clinical Trials. As per section 6 of the PCA, any person who proposes to engage in any prescribed activity shall apply to the Pharmaceutical & Regulatory Affairs Department of the MOH for a licence to engage in such prescribed activity.

Section 23 under the PCA stipulates that any person who engages in any prescribed activity without obtaining the requisite licence shall be guilty of an offence and liable to a fine not exceeding J\$3,000,000 (approximately US\$20,134) or to imprisonment for a term not exceeding three years or to both such fine and imprisonment.

As of the date of this Prospectus, the Corporation’s sponsorship of the Clinical Trials has not commenced. The Corporation has submitted its application to the Institutional Review Board and Ethics Committee of the Ministry of Health Jamaica (“**Jamaica IRB**”) and is awaiting comments. Once such comments are settled, if any, the Corporation will begin its sponsorship of the Clinical Trials subject to applicable laws. The Corporation is unable to apply for an import licence for its sponsored Clinical Trial materials until it receives final Jamaica IRB approval. Once received, the Corporation will apply to obtain an import licence and any other required licences.

United Kingdom

In the UK, there are two main “layers” of regulation with which products containing controlled substances must comply. These are: (i) controlled drugs legislation, which applies to all products irrespective of the type of product, and (ii) the regulatory framework applicable to a specific category of products, in this case, pharmaceuticals and food/food supplements.

The main UK controlled drugs legislation is the Misuse of Drugs Act 1971 (“**MDA**”) and the Misuse of Drugs Regulations 2001 (“**MDR**”), each as amended. The MDA sets out the penalties for unlawful production, possession and supply of controlled drugs based on three classes of risk (A, B and C). The MDR sets out the permitted uses of controlled drugs based on which Schedule (1 to 5) they fall within.

In the United Kingdom, “Fungus (of any kind) which contains psilocin or an ester of psilocin” is controlled as a Class A drug under the MDA and Schedule 1 drug under the MDR. As psilocybin is a phosphate ester of psilocin, even if it were isolated from psilocin, it would still fulfil this definition.

In the United Kingdom, Class A drugs are deemed to be the most dangerous, and so carry the harshest punishments for unlawful manufacture, production, possession and supply. Schedule 1 drugs can only be lawfully manufactured, produced, possessed and supplied under a Home Office licence. Whilst exemptions do exist, none are applicable to the API.

Licensing Requirements

The Corporation obtains acceptable psychedelic agent psilocybin (“**API**”) from the pharmaceutical ingredient provider who is based in the United States. The API itself is expected to be manufactured and packaged in FDA-registered facilities in the United Kingdom. The API is expected to be sent directly to the Corporation’s partners for research and development purposes in the United States, Canada and Jamaica.

Although the facilities in the UK are currently FDA-registered, this would not be sufficient to ensure the existence of valid marketing activities at this site. As mentioned above, in order to produce, possess and supply the API, the UK-based facility must also hold a domestic licence issued by the Home Office covering the manufacture, production, possession and supply of a controlled substance, as well as an export licence for each API shipment. The export application must include details of the importer and any import licence required by the local authorities in the United States.

All premises that are licensed in connection with the possession, supply, manufacture and/or production of controlled drugs are required to adhere to detailed security standards.⁷

Typically, when controlled drugs are being transported between licensees, responsibility for their security remains with the owner and does not transfer to either the courier or the customer until the drugs arrive at their destination and are signed for. However, where a third party is involved in the transit and/or storage of controlled drugs, even if they are not the legal owners, this party also carries responsibility for their security by virtue of being ‘in possession’ of them. Under the Home Office guidance, each organisation involved in the movement of controlled drugs should have a standard operating procedure covering their responsibilities, record keeping, reconciliation and reporting of thefts/losses.⁸

⁷ Home Office guidance; Security guidance for all existing or prospective Home Office Controlled Drug Licensees and/or Precursor Chemical Licensees or Registrants; 2020; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857591/Security_Guidance_for_all_Businesses_and_Other_Organisations_v1.4_Jan_2020.pdf.

⁸ Home Office guidance; Guidelines for Standard Operating Procedures (SOPs); https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf.

[Table of Contents](#)

Pharmaceutical Products

Products are regulated as “medicinal products” under UK legislation (the Human Medicines Regulations 2012) if (i) they are presented as a substance or combination of substances having properties for treating or preventing disease in human beings having a medicinal effect (e.g., in marketing claims) or (ii) have a medicinal effect (i.e., even if no claims are made about the product).

A product has a “medicinal effect” if it has a pharmacological, immunological or metabolic effect on the body that restores, corrects or modifies a physiological function. Whether this is the case for a specific product will depend on factors such as the concentration of the psilocybin/psilocin and the mode of action of any psilocybin/psilocin absorbed in the body.

If a product is a medicinal product, a marketing authorisation for the product is required before the product can be placed on the market in the UK. The process for obtaining a marketing authorisation involves submitting pre-clinical and clinical data as well as quality and manufacturing information in the form of a common technical document. In addition to a marketing authorisation for the product itself, companies carrying out activities involving medicinal products, such as manufacturing, distribution and wholesaling, need to meet defined standards (GMP) and/or Good Distribution Practice (GDP) and to hold a related licence from the UK Medicines and Healthcare products Regulatory Agency (“**MHRA**”).

As mentioned above, once the API has been made in the UK, it is expected to be sent directly to the Corporation’s partners for research and development purposes in the United States, Canada or Jamaica. How the API is subsequently processed will determine the licences that the UK-based facility must hold. In particular:

- If the API is just one ‘ingredient’ of the investigational medicinal product (“**IMP**”) which is used in the clinical trial then the UK-based facility must register with the MHRA and provide the MHRA with 60 days’ notice of the intended start of manufacture/distribution, and comply with GMP and Good Distribution Practice for active substances.
- Conversely, if the API will itself constitute the IMP, the manufacturer must hold a Manufacturer’s Authorisations for IMPs licence (“**MIA(IMP)**”). In this scenario, an MIA(IMP) would be required regardless of whether the IMP is for use in the UK, another EEA Member State or a third country (such as the United States, Canada or Jamaica).

Some products fall on the borderline between medicines and another category such as medical devices, cosmetics or food supplements. The regulatory status of the product will be determined by i) the actual effect of the product on the body and ii) any claims made about the effect of the product. Where a product is potentially both a medicinal product and another category of product, the legal position in the UK (and EU) is that it will be regulated as a medicinal product.

Food/Food Supplements

- Functional foods and nutraceuticals must comply with general UK food laws.
- Ordinarily, food and food ingredients do not need to be pre-authorised before they can be placed on the market. However, “novel foods”, which are foods that have not been consumed to a significant degree by humans in the UK or EU before 15 May 1997 do require pre-authorisation under the EU Novel Foods Regulation (EU) 2015/2283, which has been retained in UK law post-Brexit. Whilst psychedelic mushrooms may have been consumed in the past, the same cannot be said for isolated psilocybin or psilocin. For this reason, it is likely that any food item containing isolated psilocybin and/or psilocin that is not considered to be a medicinal product would fulfil the definition of a ‘novel food’.
- To place a novel food on the market in the UK, it must be authorised in advance (either under an EU authorisation if granted pre-1 January 2021, or after this date under a Great Britain authorisation for

England, Scotland and Wales and under an EU authorisation for Northern Ireland). Under the updated EU Novel Foods Regulation, novel foods authorisations are now generic and not applicant-specific as they were under the previous novel foods legislation. As such, in principle, once authorised, anyone can place the authorised novel food on the UK market provided that it complies with the terms of the authorisation which include conditions of use, specifications and labelling requirements.

- Since novel food applications are a material investment, companies are using two routes to try to protect their assets: drafting the application narrowly and as specific as possible to their own product, making it more challenging for other companies to produce an ingredient that meets the conditions of the authorisation; and if the application relies on newly developed scientific evidence which is designated by the applicant as proprietary in the application, and accepted as such in the application process, that proprietary evidence will be protected by a 5-year period of exclusivity for the applicant for that novel ingredient.
- In broad terms, the information required in the application dossier includes: a description of the production process; the detailed composition of the novel food; scientific evidence demonstrating that the novel food does not pose a safety risk to human health; and the proposed conditions of intended use and labelling requirements. The responsibility to obtain a novel foods authorisation would be that of the person who intended to commercialise the product, and not the manufacturer of the psilocybin/psilocin itself.

In addition to novel foods legislation, the person who intends to commercialise the product in the UK would also have to comply with the full body of food legislation, which includes food labelling and food hygiene requirements.

Research and Development

The Corporation is focused on development of psychedelic medicines and other products, through research and development of novel chemical compounds and delivery mechanisms and study of such compounds in clinical environments around the world including, but not limited to research and studies to be conducted with the UWI and, its affiliate, the Caribbean Institute for Health Research. The Corporation anticipates growing its pipeline of psychedelic pharmaceutical products inspired medicines through its internal research, development, proprietary discovery programs, mergers and acquisitions, joint ventures and collaborative development agreements. For the time being, the Corporation maintains intellectual property generated by its R&D programs through patent filings and as trade secrets. The Corporation anticipates that as these programs mature more patent applications will be filed and more details about these programs will be disclosed at such time.

As a result of COVID-19, UWI has implemented certain facility procedures and is utilizing technology in an effort to mitigate the effects of the pandemic, specifically by moving patient interactions to remote status wherever possible. The Corporation cannot guarantee that the continued effects of COVID-19 will not impact patient recruiting for clinical trials and institutional processes at UWI or other institutions involved in pharmaceutical product development.

Psychedelics are a class of drug whose primary action is to trigger psychedelic experiences via serotonin receptor agonism, causing thought, visual and auditory changes, and altered state of consciousness. Major psychedelic drugs include mescaline, LSD, psilocybin, and dimethyl tryptamine (“DMT”). Psilocybin is a naturally occurring psychedelic prodrug compound produced by more than 200 species of mushrooms, collectively known as psilocybin mushrooms. The most potent are members of the genus *Psilocybe*, such as *P. azurescens*, *P. semilanceata*, and *P. cyanescens*, but psilocybin has also been isolated from about a dozen other genera. As a prodrug, psilocybin is quickly converted by the body to psilocin, which has mind-altering effects.

The pharmacokinetics, pharmacology and human metabolism of psilocybin are well known and well characterized. In conjunction with psychotherapy, psilocybin has been utilized broadly in phase II clinical trials.

[Table of Contents](#)

Psilocybin found in certain species of mushrooms is a non-habit forming naturally occurring psychedelic compound. Once ingested, psilocybin is rapidly metabolized to psilocin, which then acts on serotonin receptors in the brain. The Corporation intends to research and sponsor clinical trials on the efficacy of chemically synthesized psilocybin as it relates to the following indications⁹:

- mental health (depression, PTSD, anxiety and attention deficit hyperactivity disorder); and
- addiction (alcohol, drugs and cigarettes).

In late 2019, management of Cybin Corp. commenced research and development on the delivery of synthetic psilocybin and other psychedelics through mechanisms such as sublingual film delivery. Cybin has filed a patent application for such delivery mechanism.

In partnership with UWI, the Corporation plans to conduct research and development of synthetic psilocybin. The Corporation's activity in relation to the intended research of psilocybin mushrooms, botanicals and other related fungi is limited to the jurisdiction of Jamaica and the Corporation does not deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks in order to identify and develop treatments for medical conditions and does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates. The Corporation's Jamaica team is composed of business consultants, legal counsel and local post-doctoral research students. As of the date of this Prospectus, the Corporation's sponsorship of the clinical trials has not commenced. The Corporation has submitted its application to the Jamaica IRB and has received conditional approval and is awaiting final approval. Once such comments are settled, if any, the Corporation will begin its sponsorship of the clinical trials subject to applicable laws. The Corporation is unable to apply for an import license for its sponsored clinical trial materials until it receives final Jamaica IRB approval, once received, the Corporation will apply to obtain an import license.

Research and development is led by the Corporation's North American Chief Research and Development Officer, Dr. Michael G. Palfreyman. Dr. Palfreyman, who holds a PhD in Neuroscience and Neuropharmacology from the University of Nottingham, United Kingdom, is an accomplished pharmaceutical industry veteran responsible for more than 30 successful clinical programs.

The Corporation has also retained Stosic and Associates, a leading government relations firm, to work with high level pharmaceutical, institutional and government relations individuals to progress the acceptance of psychedelics in Canada for medical use.

The Corporation's research and development must be conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Canada and the United States, and the equivalent regulatory agencies in the other jurisdictions in which the Corporation operates, including Jamaica. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations. It is important to note, that unlike in Canada and the United States, psilocybin mushrooms are not an illegal drug under Jamaica's DDA. Accordingly, conducting

⁹ Certain statements regarding psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms have not been evaluated by Health Canada, the FDA or other similar regulatory authorities, nor has the efficacy of psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms been confirmed by approved research. There is no assurance that psilocybin, psychedelic tryptamine, tryptamine derivatives or other psychedelic compounds, nutraceutical products or functional mushrooms can be used to diagnose, treat, cure or prevent any disease or condition and robust scientific research and clinical trials are needed. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues.

[Table of Contents](#)

research on psilocybin mushrooms does not contravene the laws of Jamaica and does not require any permit or authorization from Jamaican regulatory authorities.

Canada

Psychedelics

The process required before a prescription drug product candidate may be marketed in Canada generally involves:

- *Chemical and Biological Research* – Laboratory tests are carried out on tissue cultures and with a variety of small animals to determine the effects of the drug. If the results are promising, the manufacturer will proceed to the next step of development.
- *Pre-Clinical Development* – Animals are given the drug in varying amounts over differing periods of time. If it can be shown that the drug causes no serious or unexpected harm at the doses required to have an effect, the manufacturer will proceed to clinical trials.
- *Clinical Trials – Phase I* – The first administration in humans is to test if people can tolerate the drug. If this testing is to take place in Canada, the manufacturer must prepare a clinical trial application for the Therapeutic Products Directorate of Health Canada (the “**TPD**”). This includes the results of the first two steps and a proposal for testing in humans. If the information is sufficient, the Health Products and Food Branch of Health Canada (the “**HPFB**”) grants permission to start testing the drug, generally first on healthy volunteers.
- *Clinical Trials – Phase II* – Phase II trials are carried out on people with the target condition, who are usually otherwise healthy, with no other medical condition. Trials carried out in Canada must be approved by the TPD. In phase II, the objective of the trials is to continue to gather information on the safety of the drug and begin to determine its effectiveness.
- *Clinical Trials – Phase III* – If the results from phase II show promise, the manufacturer provides an updated clinical trial application to the TPD for phase III trials. The objectives of phase III include determining whether the drug can be shown to be effective, and have an acceptable side effect profile, in people who better represent the general population. Further information will also be obtained on how the drug should be used, the optimal dosage regimen and the possible side effects.
- *New Drug Submission* – If the results from phase III continue to be favourable, the drug manufacturer can submit a new drug submission (“**NDS**”) to the TPD. A drug manufacturer can submit an NDS regardless of whether the clinical trials were carried out in Canada. The TPD reviews all the information gathered during the development of the drug and assesses the risks and benefits of the drug. If it is judged that, for a specific patient population and specific conditions of use, the benefits of the drug outweigh the known risks, the HPFB will approve the drug by issuing a notice of compliance.

United States

The process required before a prescription drug product candidate may be marketed in the United States generally involves:

- completion of extensive non-clinical laboratory tests, animal studies and formulation studies, all performed in accordance with the FDA’s Good Laboratory, Good Clinical and/or Manufacturing Practice regulations;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an institutional review board or independent ethics committee at each clinical trial site before each trial may be initiated;

[Table of Contents](#)

- for some products, performance of adequate and well-controlled human clinical trials in accordance with the FDA's regulations, including Good Clinical Practices, to establish the safety and efficacy of the prescription drug product candidate for each proposed indication;
- submission to the FDA of a New Drug Application ("**NDA**"); and
- FDA review and approval of the NDA prior to any commercial marketing, sale or shipment of the drug.

The testing and approval process requires substantial time, effort and financial resources, and the Corporation cannot be certain that any approvals for its prescription drug product candidates will be granted on a timely basis, if at all.

Non-clinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animals and other animal studies. The results of non-clinical tests, together with manufacturing information and analytical data, are submitted as part of an IND to the FDA. Some non-clinical testing may continue even after an IND is submitted. The IND also includes one or more protocols for the initial clinical trial or trials and an investigator's brochure. An IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises concerns or questions relating to the proposed clinical trials as outlined in the IND and places the clinical trial on a clinical hold. In such cases, the IND sponsor and the FDA must resolve any outstanding concerns or questions before any clinical trials can begin. Clinical trial holds also may be imposed at any time before or during studies due to safety concerns or non-compliance with regulatory requirements.

An independent institutional review board ("**IRB**"), at each of the clinical centers proposing to conduct the clinical trial must review and approve the plan for any clinical trial before it commences at that center. An IRB considers, among other things, whether the risks to individuals participating in the trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the consent form signed by the trial participants and must monitor the study until completed. The FDA, the IRB, or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries.

The FDA offers a number of regulatory mechanisms that provide expedited or accelerated approval procedures for selected drugs and indications which are designed to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These include programs such as Breakthrough Therapy designations, Fast Track designations, Priority Review and Accelerated Approval, which the Corporation may need to rely upon in order to receive timely approval or to be competitive.

The Corporation may plan to seek orphan drug designation for certain indications qualified for such designation. The U.S., E.U. and other jurisdictions may grant orphan drug designation to drugs intended to treat a "rare disease or condition," which, in the U.S., is generally a disease or condition that affects fewer than 200,000 individuals in the United States, or 200,000 or more individuals in the United States and for which there is no reasonable expectation that the cost of developing and making a drug available in the United States for this type of disease or condition will be recovered from sales of the product. In the E.U., orphan drug designation can be granted if: the disease is life threatening or chronically debilitating and affects no more than 50 in 100,000 persons in the E.U.; without incentive it is unlikely that the drug would generate sufficient return to justify the necessary investment; and no satisfactory method of treatment for the condition exists or, if it does, the new drug will provide a significant benefit to those affected by the condition. Orphan drug designation must be requested before submitting an NDA. If a product that has an orphan drug designation subsequently receives the first regulatory approval for the indication for which it has such designation, the product is entitled to orphan exclusivity, meaning that the applicable regulatory authority may not approve any other applications to market the same drug for the same indication, except in very limited circumstances, for a period of seven years in the U.S. and 10 years in the E.U. Orphan drug designation does not prevent competitors from developing or

[Table of Contents](#)

marketing different drugs for the same indication or the same drug for different indications. After orphan drug designation is granted, the identity of the therapeutic agent and its potential orphan use are publicly disclosed. Orphan drug designation does not convey an advantage in, or shorten the duration of, the development, review and approval process. However, this designation provides an exemption from marketing and authorization (NDA) fees.

Drugs manufactured or distributed pursuant to FDA approvals are subject to continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, reporting of adverse experiences with the product, and complying with promotion and advertising requirements. The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-market testing, including phase IV clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. In addition, drug manufacturers and their subcontractors involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and certain state agencies and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including current Good Manufacturing Practices, which impose certain procedural and documentation requirements. Failure to comply with statutory and regulatory requirements may subject a manufacturer to legal or regulatory action, such as warning letters, suspension of manufacturing, product seizures, injunctions, civil penalties or criminal prosecution. There is also a continuing, annual prescription drug product program user fee.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, requirements for post-market studies or clinical trials to assess new safety risks, or imposition of distribution or other restrictions under a risk evaluation and mitigation strategy.

Controlled Substances

The CSA and its implementing regulations establish a "closed system" of regulations for controlled substances. The CSA imposes registration, security, recordkeeping and reporting, storage, manufacturing, distribution, importation and other requirements under the oversight of the DEA. The DEA is responsible for regulating controlled substances, and requires those individuals or entities that manufacture, import, export, distribute, research, or dispense controlled substances to comply with the regulatory requirements in order to prevent the diversion of controlled substances to illicit channels of commerce.

Facilities that manufacture, distribute, import or export any controlled substance must register annually with the DEA. The DEA registration is specific to the particular location, activity(ies) and controlled substance schedule(s). For example, separate registrations are needed for import and manufacturing, and each registration will specify which schedules of controlled substances are authorized.

The DEA inspects all manufacturing facilities to review security, recordkeeping, reporting and handling prior to issuing a controlled substance registration. The specific security requirements vary by the type of business activity and the schedule and quantity of controlled substances handled. The most stringent requirements apply to manufacturers of Schedule I and Schedule II substances. Required security measures commonly include background checks on employees and physical control of controlled substances through storage in approved vaults, safes and cages, and through use of alarm systems and surveillance cameras. Once registered, manufacturing facilities must maintain records documenting the manufacture, receipt and distribution of all controlled substances. Manufacturers must submit periodic reports to the DEA of the distribution of Schedule I and II controlled substances, Schedule III narcotic substances, and other designated substances. Registrants must also report any controlled substance thefts or significant losses, and must obtain authorization to destroy or dispose of controlled substances. Imports of Schedule I and II controlled substances for commercial purposes are

generally restricted to substances not already available from a domestic supplier or where there is not adequate competition among domestic suppliers. In addition to an importer or exporter registration, importers and exporters must obtain a permit for every import or export of a Schedule I and II substance or Schedule III, IV and V narcotic, and submit import or export declarations for Schedule III, IV and V non-narcotics.

For drugs manufactured in the United States, the DEA establishes annually an aggregate quota for the amount of substances within Schedules I and II that may be manufactured or produced in the United States based on the DEA's estimate of the quantity needed to meet legitimate medical, scientific, research and industrial needs. The quotas apply equally to the manufacturing of the active pharmaceutical ingredient and production of dosage forms. The DEA may adjust aggregate production quotas a few times per year, and individual manufacturing or procurement quotas from time to time during the year, although the DEA has substantial discretion in whether or not to make such adjustments for individual companies.

Individual U.S. states also establish and maintain separate controlled substance laws and regulations, including licensing, recordkeeping, security, distribution, and dispensing requirements. State authorities, including boards of pharmacy, regulate use of controlled substances in each state. Failure to maintain compliance with applicable requirements, particularly as manifested in the loss or diversion of controlled substances, can result in enforcement action that could have a material adverse effect on the Corporation's business, operations and financial condition. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to revoke those registrations. In certain circumstances, violations could lead to criminal prosecution.

Patent Cooperation Treaty

The Patent Cooperation Treaty (the "PCT") facilitates filing for patent recognition in multiple jurisdictions simultaneously using a single uniform patent application. 193 countries, including Canada and the United States have ratified the PCT.

Ultimately, patents are still granted in each country individually. As such, the PCT procedure consists of two phases: filing of an international application, and national evaluation under the patent laws in force in each country where a patent is sought.

Within 12 months of filing a provisional patent application at the United States Patent and Trademark Office, the Corporation may elect to file a regular utility patent application in the United States in tandem with filing a PCT application with the World Intellectual Property Office, in each case claiming priority to the provisional patent application. Within 30 months of the provisional filing date, deadlines begin for a PCT application to enter the national phase in desired jurisdictions globally, such as Canada (30 months) and Europe (31 months), in each case claiming priority to the provisional patent application.

While the Corporation is focused on programs using psychedelic-inspired compounds, the Corporation does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates. The Corporation is exploring drug development within approved laboratory clinical trial settings conducted within approved regulatory frameworks. Though highly speculative, should any prescription drug product be developed by the Corporation (which, if it does occur, would not be for several years), such drug product will not be commercialized prior to receipt of applicable regulatory approval, which will only be granted if clinical evidence of safety and efficacy for the intended use(s) is successfully developed. The Corporation may also employ non-prescription drugs, where appropriate.

COMPLIANCE PROGRAM

The Corporation oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Corporation's senior executives and the employees responsible for overseeing compliance, the Corporation has local counsel engaged in every jurisdiction in which it operates and has received legal opinions or advice in each of these jurisdictions regarding (a) compliance with applicable regulatory frameworks, and (b) potential exposure to, and implications arising from, applicable laws in jurisdictions in which the Corporation has operations or intends to operate.

The Corporation works with third parties who require regulatory licensing to handle scheduled drugs. The Corporation continuously updates its compliance and channel programs to maintain regulatory standards set for drug development. The Corporation also works with clinical research organizations who maintain batch records and data storage for the Corporation's clinical programs.

Additionally, the Corporation has established a Medical & Clinical Advisory Team, a Research, Clinical and Regulatory Team and a Government Relations and Communications Team with cross-functional expertise in business, neuroscience, pharmaceuticals, mental health and psychedelics to advise management.

In conjunction with the Corporation's human resources and operations departments, the Corporation oversees and implements training on the Corporation's protocols. The Corporation will continue to work closely with external counsel and other compliance experts, and is evaluating the engagement of one or more independent third party providers to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Corporation operates.

The programs currently in place include monitoring by executives of the Corporation to ensure that operations conform to and comply with required laws, regulations and operating procedures. The Corporation is currently in compliance with the laws and regulations in all jurisdictions and the related licencing framework applicable to its business activities.

The Corporation and, to its knowledge, each of its third-party researchers, suppliers and manufacturers have not received any non-compliance, citations or notices of violation which may have an impact on the Corporation's licences, business activities or operations.

The Corporation conducts due diligence on third-party researchers, medical professionals, clinics, cultivators, processors and others as applicable, with whom it engages. Such due diligence includes but is not limited to the review of necessary licenses and the regulatory framework enacted in the jurisdiction of operation. Further, the Corporation generally obtains, under its contractual arrangements, representations and warranties from such third parties pertaining to compliance with applicable licensing requirements and the regulatory framework enacted in the jurisdiction of operation.

CONSOLIDATED CAPITALIZATION

Since the date of the Annual Financial Statements, there has been no material change to the share and loan capital of the Corporation.

The applicable Prospectus Supplement will describe any material changes, and the effect of such material changes, on the share and loan capitalization of the Corporation that will result from the issuance of Securities pursuant to each Prospectus Supplement.

USE OF PROCEEDS

The net proceeds from any Offering of Securities and the proposed use of those proceeds will be set forth in the applicable Prospectus Supplement relating to that Offering of Securities. Notwithstanding, the Corporation's management has broad discretion in the application of proceeds of an Offering of Securities. On the basis of results obtained or for other sound business reasons, the Corporation may re-allocate funds as required. Accordingly, the Corporation's actual use of proceeds may vary significantly from any proposed use of proceeds disclosed in any applicable Prospectus Supplement. See "*Risk Factors – Risks Related to an Offering – Discretion over the Use of Proceeds*".

Sources and Uses of Capital

The Corporation had cash and cash equivalents on hand as at May 31, 2021 of approximately \$58,409,485 including the remaining net proceeds from the Corporation's bought deal short form prospectus offering for aggregate gross proceeds of \$34,303,500 (the "**February Offering**") that was completed on February 4, 2021. The Corporation's current financial resources are sufficient to meet its short-term liquidity requirements and to fund its operations for at least the coming 12 months, exclusive of any additional proceeds to be raised through an Offering of Securities. The Corporation's expectation is based on significant assumptions and is subject to significant risk, see "*Cautionary Note Regarding Forward Looking Information*" and "*Risk Factors*". As at May 31, 2021, the Corporation anticipates that it will require approximately \$39,417,732 to continue operations over the next 12 months, including funding for the Corporations business objectives and milestones.

Program(1)	Anticipated 12 Month Use of Funds(2)	Use of Proceeds Disclosure in February 2021 Prospectus(3)	Amounts Remaining to be Applied From Proceeds(4)
Psilocybin Program	\$ 3,791,727	\$ 3,837,600	\$ 2,841,727
Deuterated Tryptamines Preclinical Programs	\$ 5,662,888	\$ 11,920,000	\$ 10,862,888
Phenethylamine Preclinical Development Program	\$ 2,375,141	\$ 2,600,000	\$ 2,375,141
Nutraceutical Products	\$ 500,000	\$ 500,000	\$ 500,000
Technology	\$ 4,187,704	\$ 6,425,000	\$ 6,187,764
Other, including General and Administrative	\$ 22,900,272	\$ 10,778,000	(\$ 69,709)
Total	\$ 39,417,732	\$ 36,060,600	\$ 22,697,751

Notes:

- (1) Please see the Corporation's Annual MD&A for a description of the Corporation's Programs. All milestones are subject to receipt of all necessary approvals, including the academic and scientific organizations with which the Corporation is working.
- (2) Certain amounts have been converted from USD to CAD at an exchange rate of 1.2575:1.
- (3) Represent proceeds from private placements previously disclosed in the Listing Statement, as well proceeds disclosed in the February Offering prospectus.

For detailed information in respect of the Corporation's business objectives and milestones, and the application of proceeds from prior offerings by the Corporation, prospective purchasers of Securities should carefully consider the information described in the interim and annual management's discussion and analysis of the Corporation, and the documents incorporated by reference herein, including the applicable Prospectus Supplement.

The expected uses of capital represents the Corporation's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of available capital will depend on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of capital, or termination of a program objective, may be necessary in order for the Corporation to achieve its program objectives. The Corporation may also require

additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives, and the Corporation expects to either issue additional securities or incur debt to do so. The material factors or assumptions used to develop the estimated amounts for the 12 months period disclosed above are included in the “*Cautionary Note Regarding Forward-Looking Information*” section above. The actual amount that the Corporation spends in connection with each of the identified uses and programs will depend on a number of factors, including those listed under “*Risk Factors*” in, or incorporated by reference in, this Prospectus.

Certain COVID-19 related risks could delay or slow the implementation of the certain of the Corporation’s planned programs resulting in additional costs for the Corporation. The extent to which COVID-19 may impact the Corporation’s business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada, the United States, Jamaica, and other countries to contain and treat the disease. As these events are highly uncertain, the Corporation cannot determine their potential impact on operations at this time. The COVID-19 pandemic may negatively impact the Corporation’s business through disruption of supply and manufacturing, which would influence the amount and timing of planned expenditure. For example, prolonged disruptions in the supply of goods and services relied on by the Corporation to develop its products or restrictions resulting from government regulations that impact the Corporation’s ability to conduct its studies and clinic trials, may adversely impact the Corporation’s business. See “*The Corporation – COVID-19 Pandemic*” and “*Risk Factors – Risks Related to the Business of the Corporation – Novel Coronavirus COVID-19*”.

Negative Cash Flow From Operations

Since inception, the Corporation has financed its operations primarily from the issuance of equity and interest income on funds available for investment. To date, the Corporation has raised approximately \$90,000,000 in gross proceeds through private placement and prospectus offerings. The Corporation has experienced operating losses and cash outflows from operations since incorporation and will require ongoing financing to continue its research and development activities. As the Corporation has not yet achieved profitability, there are uncertainties regarding its ability to continue as a going concern. The Corporation has not earned any revenue or reached successful commercialization of any products. The Corporation’s success is dependent upon the ability to finance its cash requirements to continue its activities. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities, through loan financing, or other means, such as through partnerships with other companies and research and development reimbursements. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained. See “*Risk Factors – Risks Related to an Offering – Negative Operating Cash Flow and Going Concern*”.

DIVIDEND POLICY

The Corporation has never declared nor paid dividends on the Common Shares. Currently, the Corporation intends to retain its future earnings, if any, to fund the development and growth of its business, and the Corporation does not anticipate declaring or paying any dividends on the Common Shares in the near future, although the Corporation reserves the right to pay dividends if and when it is determined to be advisable by the board of directors of the Corporation. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in the Common Shares in the foreseeable future. See “*Risk Factors – Risks Related to an Offering – Speculative Nature of Investment Risk*”.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The following is a brief summary of certain general terms and provisions of the Securities that may be offered pursuant to this Prospectus. This summary does not purport to be complete. The particular terms and provisions of the Securities as may be offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement pertaining to such Offering of Securities, and the extent to which the general terms and provisions described below may apply to such Securities will be described in the applicable Prospectus Supplement.

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at July 2, 2021, the Corporation had 148,413,013 Common Shares and nil preferred shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote at meetings of shareholders of the Corporation other than meetings of the holders of another class of shares. Each holder of Common Shares is also entitled to receive dividends if, as and when declared by the board of directors of the Corporation. Holders of Common Shares are entitled to participate in any distribution of the Corporation's net assets upon liquidation, dissolution or winding-up on an equal basis per share. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

Common Shares may be sold separately or together with certain other Securities under this Prospectus. Common Shares may also be issuable on conversion, exchange, exercise or maturity of certain other Securities qualified for issuance under this Prospectus.

Warrants

Warrants may be offered separately or together with other Securities, as the case may be. Each series of Warrants may be issued under a separate warrant indenture or warrant agency agreement to be entered into between the Corporation and one or more banks or trust companies acting as Warrant agent or may be issued as stand-alone contracts. The applicable Prospectus Supplement will include details of the Warrant agreements, if any, governing the Warrants being offered. The Warrant agent, if any, will be expected to act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The following sets forth certain general terms and provisions of the Warrants that may be offered under this Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement.

A copy of any warrant indenture or any warrant agency agreement relating to an offering of Warrants will be filed by the Corporation with the relevant securities regulatory authorities in Canada after it has been entered into by the Corporation.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Warrants being offered thereby, which may include, without limitation, the following (where applicable):

- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable;
- the designation and terms of any securities with which the Warrants are issued;

[Table of Contents](#)

- if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- certain material Canadian tax consequences of owning the Warrants; and
- any other material terms and conditions of the Warrants.

Units

The Corporation may issue Units comprised of one or more of the other Securities described herein in any combination. Each Unit may be issued so that the holder of the Unit is also the holder of each Security included in the Unit; thus, the holder of a Unit may have the rights and obligations of a holder of each included Security. Any Unit agreement under which a Unit may be issued may provide that the Securities included in the Unit may not be held or transferred separately at any time or at any time before a specified date.

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Units being offered thereby, which may include, without limitation, the following (where applicable):

- the designation, number and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- certain material Canadian tax consequences of owning the Securities comprising the Units; and
- any other material terms and conditions of the Units.

Debt Securities

Debt Securities will be senior or subordinated unsecured indebtedness of the Corporation as described in the relevant Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Corporation, from time to time issued and outstanding, which is not subordinated.

If the Debt Securities are subordinated indebtedness, they will rank equally and rateably with all other subordinated Debt Securities from time to time issued and outstanding. In the event of the insolvency or winding-up of the Corporation, the subordinated Debt Securities will be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of the Corporation, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated Debt Securities.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of the Corporation.

In conformity with applicable laws of Canada, for all bonds and notes of companies that are publicly offered, the Debt Securities will be governed by a document called an “**indenture**”. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities. An indenture is a contract between a financial institution, acting on your behalf as trustee of the Debt Securities offered, and us. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on your behalf, the trustee can enforce your rights against us if we default on our obligations under the indenture. Second, the trustee performs certain

administrative duties for us. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the applicable securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by us will be filed with securities regulatory authorities and will be available on our profile on SEDAR.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a United States federal funds rate.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture. The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by our board of directors or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. Those terms may include some or all of the following:

- the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions;
- the percentage of the principal amount at which such Debt Securities will be issued;
- the date or dates on which such Debt Securities will mature;
- the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- the dates on which any such interest will be payable and the record dates for such payments;
- any redemption term or terms under which such Debt Securities may be defeased;
- whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- the place or places where principal, premium and interest will be payable;

[Table of Contents](#)

- the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- the securities exchange(s) on which such series of Debt Securities will be listed, if any;
- any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- governing law;
- any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- if other than the Corporation or the trustee, the identity of each registrar and/or paying agent;
- if Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;
- if Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- if Debt Securities are to be convertible or exchangeable into other securities of the Corporation, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Subscription Receipts

Subscription Receipts may be offered separately or together with other Securities, as the case may be. The Subscription Receipts may be issued under a subscription receipt agreement.

The applicable Prospectus Supplement will include details of any subscription receipt agreement covering the Subscription Receipts being offered. A copy of any subscription receipt agreement relating to an offering of Subscription Receipts will be filed by the Corporation with the relevant securities regulatory authorities in Canada after the Corporation has entered into it. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description may include, without limitation, the following (where applicable):

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered;
- the terms, conditions and procedures for the conversion of the Subscription Receipts into other Securities;
- the designation, number and terms of the other Securities that may be exchanged upon conversion of each Subscription Receipt;
- the designation, number and terms of other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- certain material Canadian tax consequences of owning the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

PLAN OF DISTRIBUTION

General

The Corporation may from time to time during the 25-month period that this Prospectus, including any amendments and supplements hereto, remains valid, offer for sale and sell up to an aggregate of \$125,000,000 in Securities hereunder.

The Securities may be sold by us (i) directly pursuant to applicable statutory exemptions, (ii) to or through underwriters or dealers, or (iii) through designated agents. The Prospectus Supplement relating to a particular Offering of Securities will identify any underwriter, dealer or agent engaged in connection with the offering and sale of such Securities, and will set forth the terms of the offering of such Securities, including, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents in connection with the offering, the method of distribution of the Securities, the purchase price of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), the net proceeds to us and any other material terms of the plan of distribution (including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102). Any initial offering price and discounts, concessions or commissions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time. Only underwriters named in the Prospectus Supplement are deemed to be underwriters in connection with our Securities offered by that Prospectus Supplement.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers including sales in transactions that are deemed to be “at-the-market” distributions, including sales made directly on the NEO or other existing trading markets for the Securities, in which case the compensation payable to an underwriter, dealer or agent in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers is less than the gross proceeds paid by the underwriter, dealer or agent to the Corporation. The price at which the Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

Sales of Securities under an “at-the-market distribution”, if any, will be made pursuant to an accompanying Prospectus Supplement. Sales of Securities under any “at-the-market” program will be made in transactions that are “at-the-market distributions” as defined in NI 44-102. The volume and timing of any “at-the-market distributions” will be determined at the Corporation’s sole discretion.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities or securities of the same class as the Securities distributed under the “at-the-market distribution”, including selling an aggregate number or principal amount of Securities that would result in the underwriter creating an over-allocation position in the Securities.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from the Corporation including in the form of underwriters’, dealers’ or agents’ fees, commissions or concessions.

Underwriters, dealers and agents that participate in the distribution of the Securities may be deemed to be underwriters for the purposes of applicable Canadian securities legislation and any such compensation that they receive from the Corporation and any profit that they make on the resale of the Securities, may be deemed to be underwriting commissions.

Underwriters, dealers or agents who participate in the distribution of the Securities may be entitled, under agreements to be entered into with the Corporation to indemnification by the Corporation against certain

liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments, which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

In connection with any Offering of Securities, subject to applicable laws and other than an “at-the-market distribution”, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the offered Securities at a level other than those which otherwise might prevail on the open market. Such transactions may be commenced, interrupted or discontinued at any time.

Unless specified in the applicable Prospectus Supplement, there is no market through which the Subscription Receipts, Warrants, Units and Debt Securities may be sold and purchasers may not be able to resell the Subscription Receipts, Warrants, Units and Debt Securities purchased under this Prospectus and the Prospectus Supplement. This may affect the pricing of the Subscription Receipts, Warrants, Units and Debt Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts, Warrants, Units and Debt Securities and the extent of issuer regulation. See “*Risk Factors*”.

Offerings in the United States

The Securities have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold or otherwise transferred or disposed of in the United States absent registration or pursuant to an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of an Offering of Securities under any applicable Prospectus Supplement, an offer or sale of Securities within the United States by any dealer (whether or not participating in the Offering of Securities) may violate the registration requirements of the U.S. Securities Act if such offer is made otherwise than in reliance on an exemption from the registration requirements of the U.S. Securities Act.

RISK FACTORS

An investment in the Securities involves a high degree of risk and must be considered speculative due to the nature of the Corporation’s business and present stage of development. Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein, including the applicable Prospectus Supplement. There are certain risks inherent in an investment in the Securities, including the factors described below and under the heading “*Risk Factors*” in the Annual Information Form and under the heading “*Risks and Uncertainties*” in the Annual MD&A, and any other risk factors described herein or in a document incorporated by reference herein, which investors should carefully consider before investing.

Additional risk factors relating to a specific Offering of Securities will be described in the applicable Prospectus Supplement. Some of the factors described herein, in the documents incorporated by reference herein, and/or the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any of the risk factors described herein, in the Annual Information Form, in another document incorporated by reference herein or in the applicable Prospectus Supplement occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation’s business, financial condition and results of operation. The Corporation cannot assure purchasers that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described herein, in the Annual Information Form, in the other documents incorporated by reference herein or in the applicable Prospectus Supplement or other unforeseen risks.

Risks Related to the Business of the Corporation

Novel Coronavirus “COVID-19”

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Corporation’s operations, could cause delays relating to approval from Health Canada, the FDA and equivalent organizations in other countries, could postpone research activities, and could impair the Corporation’s ability to raise funds depending on COVID-19s effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Corporation has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as to probability, severity and duration. The Corporation has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- **Mandatory Closure.** In response to the pandemic, many provinces, states and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Corporation operates or conducts research activity, these activities have been deemed an “essential service”, and thus not subject to the mandatory closures applicable to nonessential businesses. The Corporation’s ability to generate revenue and meet its milestones could be materially impacted by any shut down of operations or services.
- **Research and Development Disruptions.** The Corporation relies on a third parties for its research and development activities. If these third parties are unable to continue operating due to mandatory closures or other effects of the pandemic, it may negatively impact the Corporation’s ability to meet its milestones and may significantly delay development. At this time, the Corporation has not experienced any significant disruptions.
- **Staffing Disruption.** The Corporation is, for the time being, implementing among its staff where feasible “social distancing” measures recommended by local authorities. The Corporation has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Corporation may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to work on their own volition to avoid infection.

The Corporation is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Corporation’s ability to generate revenue.

The Corporation has sufficient cash on hand raised via equity financings to fund its operations for the next 12-months and meet its working capital requirements. It is anticipated that the long-term goals of the Corporation

will require additional capital contributions via debt or equity financings. In the event that the impact of COVID-19 worsens and negatively affects capital markets generally, there is a risk that the Corporation may not be able to secure funding for these long-term objectives. See “*The Corporation – COVID-19 Pandemic*”.

Regulatory Risks and Uncertainties

In Canada, certain psychedelic drugs, including psilocybin, are classified as Schedule III drugs under the CDSA and as such, medical and recreational use is illegal under Canadian federal laws. In the United States, certain psychedelic drugs, including psilocybin, are classified as Schedule I drugs under the CSA and the *Controlled Substances Import and Export Act* and as such, medical and recreational use is illegal under the U.S. federal laws. There is no guarantee that psychedelic drugs or psychedelic inspired drugs will ever be approved as medicines in any jurisdiction in which the Corporation operates. All activities involving such substances by or on behalf of the Corporation are conducted in accordance with applicable federal, provincial, state and local laws. Further, all facilities engaged with such substances by or on behalf of the Corporation do so under current licences and permits issued by appropriate federal, provincial and local governmental agencies. While the Corporation is focused on programs using psychedelic inspired compounds, the Corporation does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, the laws and regulations generally applicable to the industry in which the Corporation is involved in may change in ways currently unforeseen. Any amendment to or replacement of existing laws or regulations, including the classification or re-classification of the substances the Corporation is developing or working with, which are matters beyond the Corporation’s control, may cause the Corporation’s business, financial condition, results of operations and prospects to be adversely affected or may cause the Corporation to incur significant costs in complying with such changes or it may be unable to comply therewith. A violation of any applicable laws and regulations of the jurisdictions in which the Corporation operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Corporation operates, or private citizens or criminal charges.

The loss of the necessary licences and permits for Schedule III drugs could have an adverse effect on the Corporation’s operations.

The psychedelic drug industry is a fairly new industry and the Corporation cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Corporation cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Corporation.

The success of the Corporation’s business is dependent on the reform of controlled substances laws pertaining to psilocybin. If controlled substances laws are not favourably reformed in Canada, the United States, and other global jurisdictions, including Jamaica, the commercial opportunity that the Corporation is pursuing may be highly limited.

The Corporation makes no medical, treatment or health benefit claims about the Corporation’s proposed products. The FDA, Health Canada or other similar regulatory authorities have not evaluated claims regarding psilocybin, DMT, psilocybin analogues, or other psychedelic compounds or nutraceutical products. The efficacy of such products have not been confirmed by approved research. There is no assurance that the use of psilocybin, DMT, psilocybin analogues, or other psychedelic compounds or nutraceuticals can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Corporation has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy and safety of potential products do not imply that the Corporation verified such in clinical trials or that the

Corporation will complete such trials. If the Corporation cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Corporation's performance and operations.

The FDA has broad authority to enforce the provisions of the FDCA applicable to foods, drugs, dietary supplements, and cosmetics, including powers to issue a public warning letter to a company, to publicize information about illegal or harmful products, to request a recall of products from the market, and to request the United States Department of Justice to initiate a seizure action, an injunction action, or a criminal prosecution in the U. S. courts. The Corporation could be subject to fines and penalties, including under administrative, civil and criminal laws for violating U.S. laws and regulations, and the Corporation's products could be banned or subject to recall from the marketplace. The Corporation could also be subject to possible business and consumer claims under applicable statutory, product liability and common laws.

Risks Related to an Offering

Speculative Nature of Investment Risk

An investment in the Securities carries a high degree of risk and should be considered as a speculative investment. The Corporation has no history of earnings, limited cash reserves, limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Negative Operating Cash Flow and Going Concern

The Corporation has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. The Corporation's ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a shift in consumer attitudes towards certain therapeutic methods or a downturn in the economy.

Any inclusion in the Corporation's financial statements of a going concern opinion may negatively impact the Corporation's ability to raise future financing and achieve future revenue. The threat of the Corporation's ability to continue as a going concern will be removed only when, in the opinion of the Corporation's auditor, the Corporation's revenues have reached a level that is able to sustain its business operations. If the Corporation is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Corporation may be forced to sell a portion or all of the Corporation's assets, or curtail or discontinue the Corporation's operations. If any of these events happen, you could lose all or part of your investment. The Corporation's financial statements do not include any adjustments to the Corporation's recorded assets or liabilities that might be necessary if the Corporation becomes unable to continue as a going concern. See "Risk Factors – Risks Related to an Offering – Potential Need for Additional Financing".

Discretion over the Use of Proceeds

While detailed information regarding the use of proceeds from the sale of the Securities will be described in the applicable Prospectus Supplement, the Corporation will have broad discretion over the use of net proceeds from an offering by the Corporation of its Securities. There may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary. In such circumstances, the net proceeds will be reallocated at the Corporation's sole discretion.

Management will have discretion concerning the use of proceeds ascribed in the applicable Prospectus Supplement as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds. Management may use the net proceeds described in a Prospectus

[Table of Contents](#)

Supplement in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer. See *"Use of Proceeds"*.

Potential Need for Additional Financing

The continued development of the Corporation will require additional financing. The Corporation's activities do have scope for flexibility in terms of the amount and timing of expenditures, and expenditures may be adjusted accordingly. However, further operations will require additional capital and will depend on the Corporation's ability to obtain financing through debt, equity or other means. The Corporation's ability to meet its obligations and maintain operations may be contingent upon successful completion of additional financing arrangements. There is no assurance that the Corporation will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Corporation. In addition, any future financing may also be dilutive to existing shareholders of the Corporation. See *"Risk Factors – Risks Related to an Offering – Negative Operating Cash Flow and Going Concern"* and *"– Potential Dilution"*.

Volatile Market Price of Corporation's Common Shares

The securities market in Canada has recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the Common Shares distributed hereunder will be affected by such volatility.

The volatility of the Common Shares may affect the ability of holders to sell the Common Shares at an advantageous price or at all. Market price fluctuations in the Common Shares may be adversely affected by a variety of factors relating to the Corporation's business, including fluctuations in the Corporation's operating and financial results, such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysis' estimates in connection therewith, sales of additional Common Shares, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading *"Cautionary Note Regarding Forward-Looking Information"*. In addition, the market price for securities on stock markets, including the Neo is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may materially adversely affect the market price of the Corporation.

Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Corporation's operations, such as legislative or regulatory developments, competition, technological change and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation's performance. As at the date of this Prospectus, only the Common Shares are listed on a securities exchange and may be purchased in the secondary market.

Potential Dilution

The Corporation's articles of incorporation and by-laws allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the board of directors of the Corporation, in many cases, without the approval of the Corporation's shareholders. The Corporation cannot predict the size of future issuances of Common Shares or other Securities or the effect that future issuances and sales of Common Shares or other Securities will have on the market price of our Securities. Issuances of a

[Table of Contents](#)

substantial number of additional Securities, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share. “*Risk Factors – Risks Related to an Offering – Potential Need for Additional Financing*”.

Market for Securities

There is currently no market through which the Securities, other than the Common Shares, may be sold and, unless otherwise specified in the applicable Prospectus Supplement, such unlisted Securities may not be listed on any securities or stock exchange or any automated dealer quotation system. As a consequence, purchasers may not be able to resell such unlisted Securities purchased under this Prospectus. This may affect the pricing of our Securities, other than our Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities and the extent of issuer regulation. There can be no assurance that an active trading market for our Securities, other than our Common Shares, will develop or, if developed, that any such market, including for our Common Shares, will be sustained.

Enforcement of Civil Liabilities

Certain of our subsidiaries and assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Corporation, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against the Corporation under Canadian securities laws or otherwise.

The Corporation has subsidiaries incorporated in the United States. It may not be possible for shareholders to effect service of process outside of Canada against the directors and officers of the Corporation who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of such persons for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against persons not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law or other claims in original actions instituted in the United States. Courts in such jurisdiction may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will include a general summary of certain Canadian federal income tax consequences which may be applicable to a purchaser of Securities offered thereunder. Investors should read the tax discussion in any Prospectus Supplement with respect to a particular offering and consult their own tax advisors with respect to their own particular circumstances.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Securities will be passed upon by Aird & Berlis LLP on behalf of the Corporation. As at the date of this Prospectus, the designated professionals of Aird & Berlis LLP, as a group, beneficially own, directly or indirectly, less than one percent of the securities of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Zeifmans LLP, Chartered Professional Accountants, are the auditors of the Corporation and have confirmed that they are independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. Neither Zeifmans LLP nor any designated professional thereof, had any registered or beneficial interest in any securities or other property of the Corporation at the time they prepared the relevant financial statements incorporated by reference in this Prospectus or at any time thereafter

The registrar and transfer agent of the Common Shares is Odyssey Trust Company at its principal office in Calgary, Alberta.

PART II

INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

Indemnification of Directors and Officers

Under the *Business Corporations Act* (Ontario), the Registrant may indemnify a director or officer of the Registrant, a former director or officer of the Registrant or another individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, of another entity (each of the foregoing, an "individual"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Registrant or other entity, on the condition that (i) such individual acted honestly and in good faith with a view to the best interests of the Registrant or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Registrant's request; and (ii) if the matter is a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Registrant shall not indemnify the individual unless the individual had reasonable grounds for believing that his or her conduct was lawful.

Further, the Registrant may, with the approval of a court, indemnify an individual in respect of an action by or on behalf of the Registrant or other entity to obtain a judgment in its favor, to which the individual is made a party because of the individual's association with the Registrant or other entity as a director or officer, a former director or officer, an individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, against all costs, charges and expenses reasonably incurred by the individual in connection with such action, if the individual fulfills the conditions in (i) and (ii) above. Such individuals are entitled to indemnification from the Registrant in respect of all costs, charges and expenses reasonably incurred by the individual in connection with the defense of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with the Registrant or other entity as described above, provided the individual seeking an indemnity: (A) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and (B) fulfills the conditions in (i) and (ii) above.

The by-laws of the Registrant provide that, subject to the *Business Corporations Act* (Ontario), the Registrant shall indemnify a director or officer of the Registrant, a former director or officer of the Registrant or another individual who acts or acted at the Registrant's request as a director or officer, or an individual acting in a similar capacity, or another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Registrant or other entity, if: (i) the individual acted honestly and in good faith with a view to the best interests of the Registrant or, as the case may be, to the best interest of the other entity for which the individual acted as a director or officer or in a similar capacity at the Registrant's request and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the individual's conduct was lawful.

The Registrant maintains directors' and officers' liability insurance which insures directors and officers for losses as a result of claims against the directors and officers of the Registrant in their capacity as directors and officers and also reimburses the Registrant for payments made pursuant to the indemnity provisions under the by-laws of the Registrant and the *Business Corporations Act* (Ontario).

* * *

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is therefore unenforceable.

EXHIBIT INDEX

Exhibit Number	Description
4.1	The annual information form of the Registrant dated June 24, 2021 for the year ended March 31, 2021 (incorporated by reference from Exhibit 99.99 of the Registrant's Registration Statement on Form 40-F, filed with the Commission on July 26, 2021)
4.2	The audited consolidated financial statements of the Registrant and the notes thereto as at and for the fiscal year ended March 31, 2021, together with the auditor's report thereon (incorporated by reference from Exhibit 99.97 of the Registrant's Registration Statement on Form 40-F, filed with the Commission on July 26, 2021)
4.3	Management's discussion and analysis of the Registrant for the year ended March 31, 2021 (incorporated by reference from Exhibit 99.98 of the Registrant's Registration Statement on Form 40-F, filed with the Commission on July 26, 2021)
4.4	The management information circular of the Registrant dated April 22, 2021 relating to a special meeting of shareholders of the Registrant held on May 21, 2021 (incorporated by reference from Exhibit 99.79 of the Registrant's Registration Statement on Form 40-F, filed with the Commission on July 26, 2021)
4.5	The management information circular of Clarmin Exploration Inc. dated July 15, 2020 relating to an annual and special meeting of shareholders held August 13, 2020 (incorporated by reference from Exhibit 99.8 of the Registrant's Registration Statement on Form 40-F, filed with the Commission on July 26, 2021)
4.6	The business acquisition report dated January 22, 2021 in respect of the Registrant's acquisition of Adelia Therapeutics Inc.
4.7	The notice of annual and special meeting of shareholders and management information circular of the Registrant dated July 19, 2021
4.8	The material change report of the Registrant dated August 6, 2021 (incorporated by reference from Exhibit 99.1 of the Registrant's Form 6-K, filed with the Commission on August 9, 2021)
4.9	The unaudited condensed interim consolidated financial statements of the Registrant for the three months ended June 30, 2021 (incorporated by reference from Exhibit 99.1 of the Registrant's Form 6-K, filed with the Commission on August 16, 2021)
4.10	Management's discussion and analysis of financial condition and operating performance of the Registrant for the three months ended June 30, 2021 (incorporated by reference from Exhibit 99.2 of the Registrant's Form 6-K, filed with the Commission on August 16, 2021)
5.1	Consent of Zeifmans LLP
6.1	Powers of Attorney (contained on the signature page hereto)
7.1	Form of Debt Indenture

PART III

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Item 1. Undertaking

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities registered pursuant to Form F-10 or to transactions in said securities.

Item 2. Consent to Service of Process

A written Appointment of Agent for Service of Process and Undertaking on Form F-X for the Registrant and its agent for service of process is being filed concurrently herewith.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by amendment to Form F-X referencing the file number of this Registration Statement on Form F-10.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-10 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Country of Canada on October 1, 2021.

CYBIN INC.

By: /s/ Greg Cavers

Name: Greg Cavers

Title: Chief Financial Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Douglas Drysdale and Greg Cavers or any of them, his or her true and lawful attorneys-in-fact and agents, each of whom may act alone, with full powers of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments, and any and all additional registration statements (including amendments and post-effective amendments thereto) in connection with any increase in the amount of securities registered with the Securities and Exchange Commission, and to file the same, with all exhibits thereto, and other documents and in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, and hereby ratifies and confirms all his or her said attorneys-in-fact and agents or any of them or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

This Power of Attorney may be executed in multiple counterparts, each of which shall be deemed an original, but which taken together shall constitute one instrument.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities indicated and on the dates indicated.

Signature	Capacity	Date
<u>/s/ Douglas Drysdale</u> Douglas Drysdale	Chief Executive Officer	October 1, 2021
<u>/s/ Greg Cavers</u> Greg Cavers	Chief Financial Officer	October 1, 2021
<u>/s/ Eric So</u> Eric So	Director and Chairman	October 1, 2021
<u>/s/ Paul Glavine</u> Paul Glavine	Director	October 1, 2021
<u>/s/ Eric Hoskins</u> Eric Hoskins	Director	October 1, 2021
<u>/s/ Grant Froese</u> Grant Froese	Director	October 1, 2021
<u>/s/ Mark Lawson</u> Mark Lawson	Director	October 1, 2021
<u>/s/ Theresa Firestone</u> Theresa Firestone	Director	October 1, 2021

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, as amended, the undersigned has signed this Registration Statement, in the capacity of the duly authorized representative of the Registrant in the United States, on October 1, 2021.

/s/ Douglas Drysdale

Name: Douglas Drysdale

Title: Chief Executive Officer

CYBIN INC.

FORM 51-102F4

BUSINESS ACQUISITION REPORT**Item 1 - Identity of Company.****1.1 Name and Address of Company**

Cybin Inc. (“**Cybin**” or the “**Company**”)
100 King Street West, Suite 5600
Toronto, Ontario
M5X 1C9

1.2 Executive Officer

For further information, please contact Douglas Drysdale, Chief Executive Officer of the Company at 1.908.764.8385

Item 2 - Details of Acquisition**2.1 Nature of Business Acquired**

The acquisition (the “**Acquisition**”) of all of the issued and outstanding shares of Adelia Therapeutics Inc. (“**Adelia**”). Assets acquired include, amongst other things, six patent applications and certain laboratory equipment. Adelia is a company that aims to develop medicinal psychedelics with improved dosing efficacy and therapeutic indices to address unmet medical needs. Adelia’s primary focus is on the development of treatment regimens consisting of proprietary psychedelic molecules and related clinical protocols. This proprietary development strategy is based on chemical modifications to the known and well understood tryptamine derivatives that significantly modify their pharmacokinetic properties without changing their therapeutic potential. These proprietary approaches seek to minimize inter-patient variability by better controlling drug metabolism without loss of efficacy that together have been shown to produce more predictable and favorable patient outcomes. The Acquisition was completed through a newly incorporated, fully-controlled subsidiary of Cybin.

2.2 Date of Acquisition

December 14, 2020

2.3 Consideration

On December 4, 2020, Cybin entered into a contribution agreement (the “**Share Purchase Agreement**”) with Cybin Corp., Cybin US Holdings Inc. (the “**Acquiror**”), a newly formed fully-controlled subsidiary of Cybin created for the purposes of the Acquisition, and all of the shareholders of Adelia (the “**Adelia Shareholders**”) whereby

the Acquiror has agreed to purchase from the Adelia Shareholders all of the issued and outstanding common shares of Adelia (the “**Adelia Shares**”) in exchange for non-voting Class B common shares in the capital of the Acquiror (the “**Class B Shares**”). The Acquisition closed on December 14, 2020 (the “**Closing**”).

Pursuant to the Contribution Agreement, the Adelia Shareholders contributed all of the Adelia Shares to the Acquiror as a capital contribution in exchange for the Acquiror issuing to them, in the aggregate, 868,833 Class B Shares in accordance with their respective pro rata percentages at a price per Class B Share equal to CAD\$12.40 (approximately US\$9.69). The aggregate value of the Class B Shares to be issued to the Adelia Shareholders on the Closing was CDN\$10,773,529.50 (approximately USD\$8.42 million).

The Class B Shares issued by the Acquiror to the Adelia Shareholders are exchangeable for common shares in the capital of Cybin (the “**Cybin Shares**”) on a 10 Cybin Shares for 1 Class B Share basis, at the option of the holder thereof, subject to customary adjustments. The purpose of issuing exchangeable Class B Shares to the Adelia Shareholders is to allow the Adelia Shareholders to defer a taxable event, which occurs on the exchange of shares of a United States company for the shares of a Canadian company. Notwithstanding the foregoing, no Class B Shares are exchangeable prior to the first anniversary of the Closing and not more than: (i) 33 1/3% of the Class B Shares will be exchangeable prior to the second anniversary of Closing; (ii) 66 2/3% of the Class B Shares will be exchangeable prior to the third anniversary of Closing; and (iii) thereafter, 100% of the Class B Shares will be exchangeable ((i), (ii) and (iii), collectively, the “**Hold Periods**”). The Class B Shares issued to the Adelia Shareholders upon the Closing are exchangeable for a total of 8,688,330 Cybin Shares, resulting in an effective issue price of \$1.24 per Cybin Share.

On the occurrence of certain millstones as set out in the Contribution Agreement (each a “**Milestone**”), the Acquiror will issue to the Adelia Shareholders in accordance with their pro rata percentage, on or before the 2nd business day following the relevant date at which Cybin issues a press release announcing the achievement of the Milestone (the “**Milestone Determination Date**”), such number of Class B Shares as shall be determined by dividing the applicable milestone consideration, as set out in the Contribution Agreement (or where some, but not all, of such sub-Milestone’s in the relevant fiscal quarter are achieved, such lesser portion of such milestone consideration) as is determined in accordance with applicable Milestone, by the greater of: (i) \$7.50; and (ii) ten times the greater of (x) the 10 day volume weighted average price of the Cybin Shares; and (y) the closing market price of the Cybin Shares, in each case, on the close of business on the last business day preceding the Milestone Determination Date.

If a particular Milestone has not been achieved by the close of the quarter immediately following the quarter in which such Milestone is scheduled for completion pursuant to the Contribution Agreement, the Acquiror’s obligation to issue Class B Shares on the occurrence of the applicable Milestone shall expire. The total value of the Class B Shares issuable pursuant to the Milestones is up to CDN\$9,388,045.50 (approximately US\$7.33 million), assuming all Milestones are met prior to the applicable deadlines.

Pursuant to the Contribution Agreement, Cybin, the Acquiror and the Adelia Shareholders also entered into a support agreement dated December 14, 2020 (the “**Support Agreement**”), which for the purpose of Canadian securities law, is deemed a

“security” as it is a document evidencing an interest in or to a security (i.e. the Cybin Shares), and, as such, constitutes a security of Cybin. Upon the signing of the Support Agreement, given that each of the Adelia Shareholders are an “accredited investor”, the prescribed restricted period (of (4) months and one (1) day after the date of issuance) as required under Canadian securities law on the Cybin Shares (which are exchangeable for Class B Shares at a future date) will commence. Therefore, upon the exchange of the Class B Shares for the Cybin Shares, subject to the Hold Periods, such Cybin Shares will no longer be within a restrictive period as prescribed under applicable securities law and free trading securities.

Pursuant to the Contribution Agreement certain members of Adelia entered into advisory and/or executive employment arrangements with Cybin upon the Closing and, in such capacity, received, in the aggregate, a grant of options to purchase up to 2,244,100 to acquire Cybin Shares, pursuant to Cybin’s equity incentive plan, exercisable for a period of five (5) years and subject to vesting, at an exercise price of \$1.74 per Cybin Share. An additional 555,900 options to acquire Cybin Shares will be issuable to eligible participants at the direction of the Adelia Shareholders, from time to time, after the Closing.

2.4 Effect on Financial Position

Pursuant to the Acquisition, the Company acquired all of the issued and outstanding Adelia Shares. The effect of the Acquisition on the Company’s financial position is outlined in the Company’s unaudited pro forma condensed consolidated financial statements which are attached to this report and referred to in Item 3 below. In conjunction with the Closing, the Company appointed Alex Nivorozhkin, PhD, as Chief Scientific Officer; Michael G. Palfreyman, PhD, DSc, as Chief Research and Development Officer; and Brett Greene as Chief Innovation Officer.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The Acquisition was not with an informed person, associate or affiliate (as each term is defined in applicable securities legislation) of Cybin.

2.7 Date of Report

This report is dated January 22, 2021.

Item 3 - Financial Statements and Other Information

3.1 Financial Statements

For the purposes of this business acquisition report, in accordance with Section 8.4 of National Instrument 51-102 – *Continuous Disclosure Obligations*, the following financial statements are included herein:

- a) the audited financial statements of Adelia as at, and for the period from incorporation April 16, 2020 to November 30, 2020, together with the notes thereto and the auditor’s report thereon are attached as Schedule “A”; and

- b) (A) the unaudited *pro forma* condensed consolidated statement of financial position of: (i) Cybin Corp. (as reverse takeover acquiror) as at September 30, 2020; (ii) the Company (formerly, Clarmin Explorations Inc.) as at October 31, 2020; and (iii) Adelia as at November 30, 2020, and (B) the unaudited *pro forma* condensed consolidated statement of loss and comprehensive loss of: (i) Cybin Corp. for the period from incorporation October 22, 2019 to March 31, 2020, plus the six months ended September 30, 2020; (ii) the Company for the year ended July 31, 2021 plus the three months ended October 31, 2020, less the three months ended October 31, 2019; and (iii) Adelia for the period from incorporation April 16, 2020 to November 30, 2020, together with the notes thereto are attached as Schedule “B”.

FORWARD-LOOKING STATEMENTS

Certain statements in this business acquisition report constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to, statements made concerning the Company’s objectives, strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions (including negative and grammatical variations) suggesting future outcomes or events. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements and there can be no assurance that actual results will be consistent with these forward-looking statements. Factors that could cause such differences include the impact of the COVID-19 pandemic; the business objectives of the Company and its research and development activities; the timing and unpredictability of regulatory actions; regulatory, legislative, legal or other developments with respect to its operations or business; limited marketing and sales capabilities; limited operating history, as well as other risk factors included in the Company’s most recent Annual Information Form under the heading “Risks Factors” and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities. This list is not exhaustive of the factors that may impact the Company’s forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements or levels of dividends and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward looking statements. The factors underlying current expectations are dynamic and subject to change. Certain statements included in this business acquisition report may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for all purposes. All forward-looking statements in this

business acquisition report are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this business acquisition report and, except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

SCHEDULE “A”

Adelia Therapeutics Inc.

Financial Statements

November 30, 2020

(Expressed in U.S. dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Adelia Therapeutics Inc.

Opinion

We have audited the accompanying financial statements of Adelia Therapeutics Inc. (the "Company"), which comprise the statement of financial position as at November 30, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the period from incorporation April 16, 2020 to November 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and its financial performance and its cash flows for the period from incorporation April 16, 2020 to November 30, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Basis for Opinion

We have conducted our audit in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 to the financial statements, which indicates that at November 30, 2020 the Company has no revenue generating activity. As stated in note 1, this event or condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

201 Bridgeland Avenue | Toronto
Ontario | M6A 1Y7 | Canada

zeifmans.ca
T: 416.256.4000

Zeifmans LLP is a member of Nexia International, a worldwide
network of independent accounting
and consulting firms.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or condition's may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

Toronto, Ontario
December 23, 2020


Chartered Professional Accountants
Licensed Public Accountants

Adelia Therapeutics Inc.
Statement of Financial Position
As at November 30, 2020
(Expressed in US dollars)

ASSETS	
Current	
Cash	\$ 150,248
Prepaid expenses	43,615
Total Current Assets	193,863
Non-current	
Equipment (note 4)	376,290
Intangible assets (note 5)	102,917
Total Non-current Assets	479,207
TOTAL ASSETS	\$ 673,070
LIABILITIES	
Current	
Accounts payable and accrued liabilities (note 8)	\$ 423,542
Current portion of notes payable (note 6)	745,238
Total Current Liabilities	1,168,780
Non-current	
Notes payable (note 6)	54,659
TOTAL LIABILITIES	1,223,439
SHAREHOLDERS' EQUITY (DEFICIENCY)	
Share capital (note 7)	480,813
Retained earnings (deficit)	(1,031,182)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	(550,369)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	\$ 673,070

Going concern (note 1)
Commitments (note 9)
Subsequent events (note 13)

Approved and authorized for issue by the directors on December 23, 2020

(signed) “Doug Drysdale” _____ Director

(signed) “Brett Greene” _____ Director

The accompanying notes are an integral part of these financial statements

Adelia Therapeutics Inc.
Statement of Loss and Comprehensive Loss
For the period from incorporation April 16, 2020 to November 30, 2020
(Expressed in US dollars)

Revenue	\$ —
Expenses	
Professional fees	378,790
Salaries (note 8)	268,753
Research and development	207,663
Consulting fees (note 8)	112,558
Depreciation	26,842
General and administrative costs	26,182
Accretion of convertible debt (note 6)	8,402
Interest	1,992
	1,031,182
Net Loss	\$(1,031,182)
Basic and diluted loss per share for the period attributable to common shareholders	\$ (0.32)
Weighted average number of common shares outstanding - basic and diluted	3,244,079

The accompanying notes are an integral part of these financial statements

Adelia Therapeutics Inc.
Statement of Changes in Shareholders' Equity (Deficiency)
For the period from incorporation April 16, 2020 to November 30, 2020
(Expressed in US dollars)

	Note	Share capital		Deficit	Total
		Number of Common Shares	Amount		
Balance at April 16, 2020		—	\$ —	\$ —	\$ —
Shares issued for cash - founders' round	7	5,655,000	5,655	—	5,655
Shares issued for cash–private placement	7	35,344	75,000	—	75,000
Shares issued for equipment	7	189,804	400,158	—	400,158
Net loss and comprehensive loss for the period		—	—	(1,031,182)	(1,031,182)
Balance at November 30, 2020		5,880,148	\$480,813	\$(1,031,182)	\$ (550,369)

The accompanying notes are an integral part of these financial statements.

Adelia Therapeutics Inc.
Statement of Cash Flows
For the period from incorporation April 16, 2020 to November 30, 2020
(Expressed in US dollars)

OPERATING ACTIVITIES	
Net loss and comprehensive loss for the period	(1,031,182)
Depreciation (note 4)	26,842
Accretion of convertible debt (note 6)	8,402
	<u>(995,938)</u>
Net changes in non-cash working capital items:	
Prepaid expenses	(43,615)
Accounts payable and accrued liabilities	423,543
Net cash flows from operating activities	<u>(616,010)</u>
INVESTING ACTIVITIES	
Purchase of equipment (notes 4 & 7)	(2,974)
Increase in intangible assets (note 5)	(102,917)
Net cash flows from investing activities	<u>(105,891)</u>
FINANCING ACTIVITIES	
Shares issued for cash - private placement	75,000
Shares issued for cash - founders' round	5,655
Proceeds from the issuance of notes payable	804,497
Repayments of notes payable (note 6)	(13,003)
Net cash flows from financing activities	<u>872,149</u>
NET INCREASE IN CASH FOR THE PERIOD	150,248
Cash, beginning of period	—
Cash, end of period	<u>150,248</u>

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Adelia Therapeutics Inc. (the “Company” or “Adelia”), is a Delaware corporation incorporated on April 16, 2020. The Company’s head office, principal address, registered address and records office is 184 Madison Street, #2 Fitchburg, MA 01420.

Adelia is a life sciences company advancing the development of psychedelic based therapeutics for central nervous system disorders.

The financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payments of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

As at November 30, 2020 the Company has no revenue generating activity. This condition indicates the existence of material uncertainty that cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and to continue to obtain financing sufficient to meet current and future obligations. During the period from April 16, 2020 to December 23 2020, the date of issuance of these financial statements the Company had no revenue generating activity. These financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

The policies in these financial statements are based on IFRS issued and outstanding as of December 23, 2020, the date the Board of Directors approved the financial statements.

Basis of measurement

The Company’s financial statements have been prepared on the historical cost basis, except for certain financial instruments classified at fair value upon initial recognition.

Functional and presentation currency

These financial statements are presented in US dollars, which is the Company’s functional and presentational currency.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at November 30, 2020 there were no cash equivalents.

Equipment

Equipment is stated as cost less accumulated depreciation. Lab equipment is depreciated on a straight-line basis over 5 years from the date the asset is available for use as intended until the date of disposition. Computer equipment is depreciated on a straight-line basis over 3 years from the date the asset is available for use as intended until the date of disposition.

The Company regularly reviews its equipment to eliminate obsolete items.

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each reporting date and adjusted prospectively if appropriate.

Intangible Assets

Intangible assets include expenditures related to obtaining patents. The amortization of patent costs commences when the associated products are available for commercial sale and is amortized on a straight-line basis over its respective legal lives or economic life, if shorter. Patents have an estimated useful life of 17 years. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate. Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in operations as incurred.

Development activities involve a plan or design for the production of new, or substantially improved, products or processes related to the Company's development of psychedelic based therapeutics. Development expenditures are capitalized only if the relevant IFRS criteria are met. Capitalized development expenditures are amortized from the beginning of commercial production and sales and are amortized on a straight-line basis over the remaining useful life of the related patents. Development expenditures, in relation to the Company's psychedelic based therapeutics, have not satisfied the above criteria and are recognized in operations as incurred.

Impairment of long-lived assets

Long-lived assets, including equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. An impairment loss is charged to operations.

Financial instruments

Recognition and initial measurement

The Company initially recognizes financial instruments on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus/minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or use.

Classification

Financial asset

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVOCI"), or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently does not measure any of its financial assets at amortized cost.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis. The Company has not elected to present any assets as FVOCI.

Cash is measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected;
- and the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial liabilities

The Company classifies its financial liabilities at amortized cost or FVTPL.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transition in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company de recognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price—i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any observable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability at fair value has a bid price and an ask price, then the Company measures assets and long positions at bid price and liabilities and short positions at an ask price.

Portfolio of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustment – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure—are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a note or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The Disappearance of an active market for a security because of financial difficulties.

A note that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses ("ECL") in the statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default:

For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: the initial recognition of assets or liabilities that affect neither accounting or taxable loss; difference relating to investment in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its correct tax assets and liabilities on a net basis.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares (the "Common Shares"), are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding for the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive and basic and diluted loss per common share is the same. In a profit period, under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of diluted stock options and warrants are used to repurchase common shares at the average price during the period.

Foreign currency translation

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The financial statements are presented in United States dollars, which is the Company's functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated in US dollars at the period end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the exchange rates approximately those in effect on the date of the transactions. Currency gains and losses arising on transactions are included in the statement of loss and comprehensive loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at November 30, 2020 and have not been applied in preparing these financial statements. Management has determined that none of these will have a significant effect on financial statements of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to:

- Assets' carrying values and impairment charges;
- Income taxes, and
- Fair value of financial instruments

4. EQUIPMENT

Equipment consists as follows (see also note 7(b)):

	Lab Equipment	Computer Equipment	Total
Cost			
Balance, April 16, 2020	\$ —	\$ —	\$ —
Additions	400,158	2,974	403,132
Balance, November 30, 2020	400,158	2,974	403,132
Accumulated depreciation			
Balance, April 16, 2020	—	—	—
Charge for the period	26,677	165	26,842
Balance, November 30, 2020	26,677	165	26,842
Net book value			
Balance, November 30, 2020	\$399,993	\$ 2,809	\$376,290

During the period the Company acquired \$400,158 of lab equipment from the Chief Executive Officer ("CEO") in exchange for common shares (see note 7(b)). This non-cash transaction is excluded from the statement of cash flows.

5. INTANGIBLE ASSET

Patents consist as follow:

Cost	
Balance, April 16, 2020	\$ —
Additions	102,917
Balance, November 30, 2020	102,917
Accumulated amortization	
Balance, April 16, 2020	—
Charge for the period	—
Balance, November 30, 2020	—
Net book value	
Balance, November 30, 2020	\$102,917

6. NOTES PAYABLE

Notes payable as of November 30, 2020, consisted of the following:

Note payable (a)	\$ 86,998
Convertible note payable (b)	712,899
	799,897
Amounts payable within one year	745,238
	\$ 54,659

- (a) On July 17, 2020, the Company entered into an unsecured note in the aggregate amount of \$100,000 with the Chief Technical Officer of the Company. The note is to be repaid over a period of 36 months from the date of draw, in monthly installments of \$3,000 including interest at 2.67% per annum.
- (b) On August 31, 2020, the Company entered into a convertible note agreement with Cybin Corp. (“Cybin”), in the aggregate amount of \$500,000. On November 12, 2020, the Company entered into an amended convertible note agreement with Cybin resulting in an aggregate amount of \$715,000. The note bears interest at a rate of 10% per annum, beginning January 1, 2021. The note matures as follows:
- (i) upon consummation of the transaction as described in note 9 between the Company and Cybin the full amount of the note is convertible into preferred stock of the Company.
 - (ii) If the transaction is not complete by December 31, 2020 then Cybin shall have the right to demand that the principal amount of this note, together with all accrued and unpaid interest, be repaid by providing the

Company with 6 months' advance notice of the date of such repayment plus accrued and unpaid interest. Substantially all of the assets of the Company are pledged against the note payable.

The Company incurred \$10,503 of debt issuance costs in connection with the issuance of the convertible note, which have been recorded as a direct reduction against the debt and amortized over the life of the associated debt as a component of interest expense using the effective interest method.

The movement in the Company's convertible note consists of the following:

Balance, beginning of the period	\$ —
Issuance	715,000
Transaction costs	(10,503)
Accretion expense for the period	8,402
Balance, end of the period	<u>\$712,899</u>

The long-term portion of the notes payable is due as follows:

In the year ending November 30,

2022	\$34,014
2023	20,645
	<u>\$54,659</u>

7. SHARE CAPITAL

a) Authorized share capital

5,000,000 preferred shares; \$0.001 par value per share, issuable in series.

10,000,000 Common Shares; \$0.001 par value per share, entitled to one vote per share

Rights of the preferred shares are at the discretion of the directors.

Dividends on common shares are at the discretion of the directors.

As of November 30, 2020, no preferred shares had been issued.

b) **Issued share capital**

During the period from incorporation April 16, 2020 to November 30, 2020 the Company completed the following common share issuances:

	Number	Amount
	—	\$ —
Balance, beginning of the period		
Founders' issuance - June 26, 2020		
Issued to the CEO	1,750,000	1,750
Issued to the Chief Strategy Officer and director (the "CSO")	1,600,000	1,600
Issued to the Chief Operating Officer and Chairman of the Board (the "COO") (i)	535,000	535
Issued to the Chief Scientific Advisor and director (the "CSA") (ii)	535,000	535
Issued to the Chief Clinical Officer ("CCO") (iii)	430,000	430
Issued to the Chief Technical Officer (the "CTO") (iv)	405,000	405
Issued to Nova Capital International LLC, an advisor to the Company (v)	400,000	400
	5,655,000	5,655
Private placement - July 22, 2020	35,344	75,000
Issued to the CEO for equipment (vi)	189,804	400,158
Balance, end of the period	5,880,148	\$480,813

- (i) The Company has the option to repurchase 128,400 of these shares until June 1, 2021 and 133,750 until June 1, 2022 at their issuance price.
- (ii) The Company has the option to repurchase 128,400 of these shares until June 1, 2021 and 133,750 until June 1, 2022 at their issuance price.
- (iii) The Company has the option to repurchase 103,200 of these shares until June 1, 2021 and 107,500 until June 1, 2022 at their issuance price.
- (iv) The Company has the option to repurchase 97,200 of these shares until June 1, 2021 and 101,250 until June 1, 2022 at their issuance price.
- (v) The Company has the option to repurchase 96,000 of these shares until June 1, 2021 and 100,000 until June 1, 2022 at their issuance price.
- (vi) On July 31, 2020 the Company purchased lab equipment (see note 4) with a fair value of \$400,158 from the CEO of the company in exchange for 189,804 common shares.

These financial statements and note disclosures retroactively reflect the November 19, 2020 conversion of Class A common shares entitled to one vote per share and Class B shares entitled to ten votes per share into common shares entitled to one vote per share, all on a share-for-share basis.

8. **RELATED PARTY TRANSACTIONS AND BALANCES (SEE ALSO NOTES 6 AND 7)**

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

The remuneration of key management personnel for the period were as follows:

- The Company incurred \$90,000 of expense with the CEO; salary expense of \$60,000 and consulting expense of \$30,000. At November 30, 2020, accrued liabilities included accrued salaries of \$7,500.
- The Company incurred \$90,000 of expense with the COO; salary expense of \$60,000 and consulting expense of \$30,000. At November 30, 2020, accrued liabilities included accrued salaries of \$7,500.
- The Company incurred \$90,000 of expense with the CSO; salary expense of \$60,000, consulting expense of \$30,850, and general and administrative expenses of \$5,481. At November 30, 2020, accrued liabilities included accrued salaries of \$7,600.
- The Company incurred \$30,000 of expense with the CCO; salary expense of \$20,000 and consulting expense of \$10,000. At November 30, 2020, accrued liabilities included accrued salaries of \$2,500.
- The Company incurred \$18,000 of expense with the CTO; salary expense of \$12,000 and consulting expense of \$6,000. At November 30, 2020, accrued liabilities included accrued salaries of \$1,500.
- The Company incurred professional fees of \$60,000 with an entity in which the interim Chief Financial Officer is a Senior Managing Director.
- The Company incurred advisory fees of \$30,000 with the CSA which are included in research and development expenses in the statement of loss and comprehensive loss.

9. COMMITMENTS

On August 21, 2020, the Company entered into a non-binding letter of intent ("LOI") with Cybin. The LOI outlined certain mutual understandings, pursuant to which the Company and Cybin proposed to effect a transaction that would result in Cybin acquiring 51% of the common shares of the Company on a fully diluted basis, in exchange for aggregate share consideration of \$3,187,500. Up to an additional \$3,187,500 in share consideration may be paid on the achievement of certain milestones. Upon execution of the LOI, Cybin provided the Company with a first secured, convertible advance of USD\$500,000 (see note 6). In addition, the LOI contemplated an investment by Cybin of up to an additional \$8,000,000 through the subscription for first ranking, senior preferred shares having a right to accrue dividends at 10% per annum, redeemable on the occurrence of a change of control or liquidity event for the Company subject to certain milestones outlined in the LOI. (See note 13.)

10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash. In order to maximize ongoing development efforts, the Company does not pay out dividends at this time. The Company are not subject to any externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Fair value

The Company has classified its financial instruments as follows:

FVTPL, measured at fair value:	
Cash	\$150,248
Financial liabilities, measured at amortized cost:	
Accounts payable and accrued liabilities	\$423,542
Notes payable	\$799,897

The carrying value of the Company's financial instruments approximates their fair value.

Fair value of Hierarchy of Financial Instruments

The Company has categorized its financial instruments that are carried at fair value, based on the priority of the inputs to the valuation techniques used to measure fair value, into a three-level fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. The types of assets and liabilities classified as Level 1 generally included cash.

Level 2: Fair value is based on quoted prices for similar assets or liabilities in active markets, valuation that is based on significant observable inputs, or inputs that are derived principally from or corroborated with observable market data through correlation or other means. Currently, the Company has no financial instruments that would be classified as Level 2.

Level 3: Fair value is based on valuation techniques that require one or more significant inputs that are not based on observable market inputs. These unobservable inputs reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability. Currently, the Company has no financial instruments that would be classified as Level 3.

Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness. As November 30, 2020, the Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at November 30, 2020, the Company had cash of \$150,248 in order to meet current liabilities. Accounts payable and accrued liabilities include trade payables of \$423,542 and notes payable totaling \$799,897.

Market Risk

The significant market risks to which the Company is exposed is interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is held mainly in interest bearing accounts.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. As of November 30, 2020, the Company has determined its exposure to interest rate risk is minimal.

12. INCOME TAXES

Major items causing the company's income tax rate to differ from the State and Federal combine statutory rate of approximately 28% are as follows:

Net loss and comprehensive loss before income taxes	\$1,031,182
Statutory income tax rate	28%
Expected benefit at statutory rate	288,731
Other	(29)
Deferred tax assets not recognized	(288,702)
Income tax recovery	\$ —

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

Non-capital loss carryforwards	\$ 360,873
Other	6,849
Depreciation	(79,021)
	<u>288,701</u>
Valuation allowance	(288,701)
Income tax recovery	<u>\$ —</u>

Subject to the limitations described below, at November 30, 2020 the Company had federal and state net operating loss carryforwards of approximately \$1,383,000 and \$1,007,000, respectively, available to reduce future taxable income. The state net operating losses begin to expire in 2030 and the Federal net operating losses are non-expiring.

The Company's allowances related to income taxes are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following the resolution of any potential contingencies present related to the tax benefit. The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. For the period from incorporation April 16, 2020 to November 30, 2020 the Company had no accrued interest or penalties related to uncertain tax positions, and no amounts have been recognized in the Company's statement of loss and comprehensive loss.

The Company's income tax returns for the period from incorporation April 16, 2020 to November 30, 2020 remain open to audit by Federal and state taxing authorities until December 15, 2023.

13. SUBSEQUENT EVENTS

The following significant transactions occurred between December 1, 2020 and December 23, 2020:

On December 4, 2020 Cybin Inc. (NEO:CYBN), the parent company of Cybin, acquired 100% of the outstanding shares of the Company and became the parent company of the Company.

BJ Greene

Alex Nivorozhkin

(signed) "Brett Greene"

(signed) "Alex Nivorozhkin"

President and Director, Adelia Therapeutics Inc.

CEO

SCHEDULE “B”

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	<u>Cybin Corp</u> <u>Sept. 30, 2020</u> \$	<u>Cybin Inc.</u> <u>Oct. 31, 2020</u> \$	<u>Adelia.</u> <u>Nov. 30, 2020</u> \$	<u>Pro Forma</u> <u>Adjustments</u> \$	<u>Note</u>	<u>Total</u> \$
ASSETS						
Current						
Cash	3,867,602	206,357	194,797	43,228,700	3a	
				(575,381)	3b	46,922,075
Accounts receivable	600,603	—	—	—		600,603
Prepaid expenses	123,913	3,238	56,547	—		183,698
Inventory	459,852	—	—	—		459,852
Note receivable	670,252	—	—	(670,252)	2a	—
	<u>5,722,222</u>	<u>209,595</u>	<u>251,343</u>	<u>41,983,067</u>		<u>48,166,227</u>
Other						
Investment	66,695	—	—	—		66,695
Equipment	—	—	487,860	—		487,860
Intangible assets and goodwill	—	—	133,432	19,538,200	2a	19,671,632
	<u>66,695</u>	<u>—</u>	<u>621,292</u>	<u>19,538,200</u>		<u>20,226,187</u>
TOTAL ASSETS	<u>5,788,917</u>	<u>209,595</u>	<u>872,635</u>	<u>61,521,267</u>		<u>68,392,414</u>
LIABILITIES						
Current						
Accounts payable and accrued liabilities	1,120,053	52,957	549,122	5,392,563	2a	7,114,695
Current portion of notes payable	—	—	966,201	(670,252)	2a	295,949
	<u>1,120,053</u>	<u>52,957</u>	<u>1,515,323</u>	<u>4,722,311</u>		<u>7,410,644</u>
Non-Current						
Notes payable	—	—	70,865	—		70,865
Accrued commitments	—	—	—	3,995,482	2a	3,995,482
	<u>—</u>	<u>—</u>	<u>70,865</u>	<u>3,995,482</u>		<u>4,066,347</u>
TOTAL LIABILITIES	<u>1,120,053</u>	<u>52,957</u>	<u>1,586,189</u>	<u>8,717,793</u>		<u>11,476,992</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)						
Share capital	9,068,329	721,375	623,374	1,596,221	2b	
				43,228,700	3a	
				(939,842)	3a	
				(721,375)	7	
				10,773,529	2a	
				(623,374)	2a	63,726,937
Contributed surplus	—	122,102	—	(122,102)	7	—
Options reserve	482,984	—	—	76,771	2b	559,755
Warrant reserve	2,950,519	—	—	939,842	3a	3,890,361
Deficit	(7,832,968)	(686,839)	(1,336,927)	(575,381)	3b	
				(829,515)	7	(11,261,630)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	<u>4,668,864</u>	<u>156,638</u>	<u>(713,553)</u>	<u>52,803,474</u>		<u>56,915,423</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>5,788,917</u>	<u>209,595</u>	<u>872,635</u>	<u>61,521,267</u>		<u>68,392,414</u>

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

	Cybin Corp Period ending March 31, 2020 \$	Cybin Corp Six months ended Sept 30, 2020 \$	Cybin Inc Three months ended October 31, 2020 \$	(Less Cybin Inc.) Three months ended October 31, 2019 \$	Cybin Inc. Twelve months ended July 31, 2020 \$	Adelia Period ending Nov 30, 2020 \$	Pro Forma adjustments \$	Total Pro Forma \$
REVENUE								
Sales	—	864,138	—	—	—	—	—	864,138
Cost of Goods Sold	—	664,479	—	—	—	—	—	664,479
Gross Profit	—	199,659	—	—	—	—	—	199,659
EXPENSES								
Share-based compensation	64,477	3,273,448	—	—	—	—	—	3,337,925
Research and development	133,756	1,140,369	—	—	—	269,235	—	1,543,360
Consulting fees	363,498	928,856	—	—	—	494,370	—	1,786,724
Professional fees	95,280	823,789	41,841	12,322	31,390	491,101	425,000 3b	1,896,079
Advertising and promotion	48,784	535,803	—	—	—	—	—	584,587
Foreign currency translation loss	(4,128)	232,249	—	—	—	—	—	228,121
General and administrative costs	108,186	278,474	548	292	14,424	71,328	—	472,668
Filing and listing fees	—	—	6,508	2,843	34,710	—	1,382,390 7	
							150,381 3b	
								1,571,146
Accretion on convertible debt	—	9,786	—	—	—	10,893	—	20,679
Asset writedown	—	—	—	—	20,000	—	—	20,000
	809,853	7,222,774	48,897	15,457	100,524	1,336,927	1,957,771	11,461,289
NET LOSS AND COMPREHENSIVE LOSS	(809,853)	(7,023,115)	(48,897)	(15,457)	(100,524)	(1,336,927)	(1,957,771)	(11,261,630)
LOSS PER SHARE - BASIC	(0.02)	(0.10)	(0.02)	(0.01)	(0.05)	(0.41)		(0.08)
Weighted average number of common shares outstanding - BASIC	49,976,788	69,150,254	2,128,295	2,128,295	2,128,295	3,244,079		139,966,879

Cybin Inc.
Notes to Unaudited Pro Forma Consolidated Financial Statements
For the period ending September 30, 2020
(amounts expressed in Canadian dollars)

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements (the “Pro Forma Consolidated Financial Statements”) of Cybin Inc. (“Cybin” or the “Company”) have been prepared by management for inclusion in the Business Acquisition Report (the “BAR”) filed in connection with the acquisition (the “Acquisition”) of Adelia Therapeutics Inc. (“Adelia”). It also reflects the completion of the business combination of Cybin Corp., Clarmin Explorations Inc. (“Clarmin”) and a wholly owned subsidiary of Clarmin by way of three-cornered amalgamation on November 5, 2020 (the “Amalgamation”). On November 5, 2020, Clarmin changed its name to Cybin Inc. upon Amalgamation.

The pro forma consolidated statement of financial position has been compiled from and includes:

- (a) The consolidated statement of financial position of Cybin Corp. as at September 30, 2020;
- (b) The consolidated statement of financial position of Cybin Inc. (formerly Clarmin) as at October 31, 2020; and
- (c) The statement of financial position of Adelia as at November 30, 2020.

The pro forma consolidated statement of loss and comprehensive loss has been compiled from and includes:

- a) Cybin Corp.:
 - The consolidated statement of loss and comprehensive loss from the date of incorporation October 22, 2019 to March 31, 2020; and
 - The interim consolidated statement of loss and comprehensive loss for the six months ended September 30, 2020;And
- b) Clarmin Explorations Inc.:
 - The consolidated statement of loss and comprehensive loss for the year ended July 31, 2020;
 - Adding the consolidated statement of loss and comprehensive loss for the three months ended October 31, 2020; Less
 - The consolidated statement of loss and comprehensive loss for the three months ended October 31, 2019;And
- c) Adelia:
 - The statement of loss and comprehensive loss for the period from incorporation April 16, 2020 to November 30, 2020.

The pro forma consolidated statement of loss and comprehensive loss is meant to represent twelve months of combined operations as if Cybin Corp, Clarmin and Adelia (together the “Companies”) had been combined at the beginning of such period.

The Pro Forma Consolidated Financial Statements should be read in conjunction with the financial statements referred to above which are available on the Company’s SEDAR page or are included in the BAR.

It is management's opinion that the Pro Forma Consolidated Financial Statements have been prepared within acceptable limits of materiality, using accounting policies consistent with international financial reporting standards appropriate in the circumstances, and includes all adjustments necessary for the fair presentation of the transactions described herein. The Pro Forma Consolidated Financial Statements are not intended to reflect the financial position and financial performance of the Companies which would have actually resulted had the Acquisition and the Amalgamation been affected on the dates indicated. Actual amounts recorded upon consummation of the Acquisition and the Amalgamation will differ from those recorded in the Pro Forma Consolidated Financial Statements and the differences may be material.

These Pro Forma Consolidated Financial Statements have been prepared using the significant accounting policies as set out in the consolidated financial statements of Cybin Corp. as at and for the period from incorporation October 22, 2019 to March 31, 2020.

In preparing the Pro Forma Consolidated Financial Statements, a review was undertaken to identify accounting policy differences with Clarmin and Adelia where the impact was potentially material and could be reasonably estimated. Further accounting policy differences may be identified after integration of the Acquisition and the Amalgamation. The significant accounting policies of Cybin are believed to conform in all material respects to those of Clarmin and Adelia.

2. PRO FORMA TRANSACTIONS

(a) The Acquisition-

The Pro Forma Consolidated Financial Statements give effect to the acquisition of Adelia. The Company entered into a contribution agreement with Cybin Corp., Cybin US Holdings Inc. ("Cybin U.S.") and all of the shareholders of Adelia (the "Adelia Shareholders") dated December 4, 2020 (the "Contribution Agreement") to purchase all of the issued and outstanding shares in the capital of Adelia. The Acquisition closed on December 14, 2020. Pursuant to the Contribution Agreement the Adelia Shareholders received non-voting Class B common shares in the capital of Cybin U.S. (each a "Class B Share"), which are exchangeable for common shares in the capital of the Company (the "Common Shares"), on a 10 Common Shares for 1 Class B Share basis, at the option of the holder thereof, subject to customary adjustments. The Class B Shares issued to the Adelia Shareholders on the closing of the Acquisition are exchangeable for a total of 8,688,330 Common Shares. The aggregate value of the Class B Shares to be issued to the Adelia Shareholders on the closing of the Acquisition was \$10,773,529. Under the Contribution Agreement, the Adelia Shareholders are also entitled to Class B Shares upon the occurrence of certain milestones (the "Milestones"), as set out in the Contribution Agreement, which are also exchangeable for Common Shares on a 10 Common Shares for 1 Class B Share basis. The total value of the Class B Shares issuable pursuant to the Milestones is up to \$9,388,045, assuming all Milestones are met prior to the applicable deadlines. The current year liability is \$5,392,563 and the liability for year two is \$3,995,482.

For accounting purposes, Cybin is deemed to have issued:

8,688,330 common shares with a fair value of \$1.24 per common share for an aggregate value of \$10,773,529. The Milestone payments are considered to be liabilities until accomplished. When a Milestone is met, Class B Shares will be issued and a corresponding reduction in the recorded liability will be made. Cybin has recorded a liability of \$9,388,045 to satisfy the milestone commitments. The preliminary purchase price allocation determined goodwill and intangible assets of \$19,538,200.

Prior to the Acquisition, Cybin had funded Adelia's operations in the amount of \$670,252. On completion of the Acquisition these amounts eliminate on consolidation.

The Class B Shares are only exchangeable into Common Shares after December 14, 2021, and not more than (i) 1/3 of the Class B Shares are exchangeable prior to December 14, 2022; (ii) not more than 2/3 of the Class B Shares are exchangeable prior to December 14, 2023; and (iii) thereafter, 100% of the Class B Shares are exchangeable.

(b) The Amalgamation -

On November 5, 2020, the Company and Cybin Corp. closed the Amalgamation, whereby a wholly-owned subsidiary of Clarmin (specifically formed to complete the Amalgamation) amalgamated with Cybin Corp., with the resulting corporation being a wholly-owned subsidiary of Clarmin. Upon completion of the Amalgamation, Clarmin Explorations Inc. changed its name to Cybin Inc. (the “Resulting Issuer”).

Prior to completion of the Amalgamation, the common shares of Clarmin were consolidated on the basis of 6.672 pre-consolidation common shares of Clarmin for every one post-consolidation common share of Clarmin (see note (3c))(the “Consolidation Ratio”). The existing shareholders, option-holders and warrant-holders of Cybin Corp. and Clarmin received one common share, option or warrant, respectively, of the Resulting Issuer for each common share, option or warrant, respectively, of Cybin Corp or Clarmin held immediately prior to completion of the Amalgamation (the “Exchange Ratio”). Unless otherwise stated, all references to shares, options or warrants reflect the respective Consolidation Ratio and Exchange Ratio.

The Amalgamation constituted a reverse take-over of Clarmin but did not meet the definition of a business combination. As a result, and in accordance with reverse take-over accounting for a Amalgamation that is not considered a business combination, Clarmin is treated as the accounting acquiree and Cybin Corp. is treated as the accounting acquirer. As a result, the Company is deemed to be a continuation of Cybin Corp. and Cybin Corp. is deemed to have acquired control of the assets and operations of Clarmin in consideration for the issuance of shares and options and warrants as applicable.

For accounting purposes, Cybin Corp is deemed to have issued the following securities:

- a) 2,128,295 common shares with a fair value of \$0.75 per common share for aggregate value of \$1,596,221; and
- b) 202,338 share purchase options with an exercise price of \$0.6672 per option and an aggregate fair value of \$76,771 (see note 3(d)) (the “Clarmin Options”).

The difference of \$1,516,364 between the aggregate fair value of the shares and options issued to Clarmin shareholders and option-holders and the fair value of monetary net assets of Clarmin acquired of \$156,638, has been charged to pro forma deficit and net loss as a listing expense.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The Pro Forma Consolidated Financial Statements give effect to the following adjustments:

- (a) The completion of a private placement of 60,000,000 subscription receipts, at a price of \$0.75 per subscription receipt, for aggregate proceeds of \$45,000,000 (the “Financing”) and the conversion of those 60,000,000 subscription receipts into 60,000,000 Common Shares. The costs of the Financing included cash advisory and finders’ fees of \$1,771,300 together with the issuance of 2,733,600 advisory and finders’ warrants (the “Financing Warrants”) with a fair value of \$939,842 (see note 3(e)). The cash proceeds of the Financing net of the cash advisory and finders’ fees is \$43,228,700.

- (b) Additional Amalgamation costs of \$575,381 have been charged to deficit. These are comprised as follows:
- Legal costs of \$425,000;
 - Listing costs of \$150,381
- (c) The Company has used the Black-Scholes option pricing model to determine the value of the Clarmin options. The following factors were used for determining the fair value of the Clarmin options: Dividend yield – Nil; expected volatility 85.00%; risk-free interest rate – 1.14%; expected life (years) – 2.16; exercise price - \$0.6672; and share price on issuance \$0.75 Accordingly, the fair value of the Clarmin Options has been determined to be \$76,771.
- (d) The Company used the Black-Scholes option pricing model to determine the value of the fully vested Financing Warrants. The following factors were used for determining the fair value of the Financing Warrants: Dividend yield – Nil; expected volatility 85.00%; risk-free interest rate – 1.14%; expected life (years) – 2.0; exercise price - \$0.75; and share price on issuance \$0.75. Accordingly, the fair value of the Financing Warrants has been determined to be \$939,842.

4. PRO FORMA SHARE CAPITAL

	<u>Number of Common Shares</u>	<u>Amount \$</u>
Original Cybin Corp. shareholders	69,150,254	9,068,329
Pro forma transaction (note 2(a)), shares issued to Adelia shareholders	8,688,330	10,773,529
Pro forma transaction (note 2(b)), shares issued to Clarmin shareholders	2,128,295	1,596,221
Pro forma adjustment (note 3(a)), shares issued pursuant to Financing	60,000,000	43,228,700
Pro forma adjustment (note 3(a)), Financing Warrants		(939,842)
	<u>139,966,879</u>	<u>63,726,937</u>

5. PRO FORMA OPTIONS RESERVE

	<u>Number of options</u>	<u>Amount</u>
		\$
Original Cybin Corp. option holders	4,600,000	482,984
Pro forma adjustment (note 2(b)), Clarmin Options	202,338	76,771
	<u>4,802,338</u>	<u>559,755</u>

6. PRO FORMA WARRANT RESERVE

	<u>Number of warrants</u>	<u>Amount</u>
		\$
Original Cybin Corp. warrant holders	19,154,684	2,950,519
Pro forma adjustment (note 3(a)), Financing Warrants	2,733,600	939,842
	<u>21,888,284</u>	<u>3,890,361</u>

7. PRO FORMA DEFICIT

	\$
Original Cybin Corp. deficit	(7,832,968)
Pro forma transaction (note 2), listing expense	(1,516,354)
Pro forma transaction (note 3(b)), Transaction costs	(575,381)
Adelia net loss for the period	(1,336,927)
	<u>(11,261,630)</u>

CYBIN INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR
July 19, 2021

TABLE OF CONTENTS

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS	2
MANAGEMENT INFORMATION CIRCULAR	4
SOLICITATION OF PROXIES	4
VOTING AT THE MEETING	4
APPOINTMENT AND REVOCATION OF PROXIES	4
EXERCISE OF DISCRETION BY PROXIES	5
HOW DO I ATTEND AND PARTICIPATE AT THE MEETING?	6
ADVICE TO BENEFICIAL SHAREHOLDERS	6
NOTE TO NON-OBJECTING BENEFICIAL OWNERS	7
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF	7
REVERSE TAKEOVER TRANSACTION	8
EXECUTIVE COMPENSATION	8
PERFORMANCE GRAPH	15
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	22
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	22
REPORT ON CORPORATE GOVERNANCE	23
AUDIT COMMITTEE DISCLOSURE	23
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	24
PARTICULARS OF MATTERS TO BE ACTED UPON	25
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	39
ADDITIONAL INFORMATION	39
APPROVAL OF BOARD OF DIRECTORS	39
SCHEDULE “A” STATEMENT OF GOVERNANCE PRACTICES	A-1
SCHEDULE “B” AUDIT COMMITTEE CHARTER	B-1
SCHEDULE “C” DIRECTORS’ MANDATE	C-1
SCHEDULE “D” AMENDED EQUITY INCENTIVE PLAN	D-1
SCHEDULE “E” SHAREHOLDER RIGHTS PLAN	E-1

(the “Corporation”)

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of the common shares in the capital of the Corporation (the “**Common Shares**”) will be held on August 16, 2021 at the hour of 10:00 a.m. (Toronto time). The Meeting will be held in a virtual meeting format only via live webcast online at <https://web.lumiagm.com/281388222> for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended March 31, 2021, together with the report of the auditor thereon;
2. to appoint Zeifmans LLP as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration;
3. to consider and, if thought appropriate, pass, with or without variation, a special resolution to set the number of directors of the Corporation at six (6), as more fully described in the accompanying management information circular dated July 19, 2021 (the “**Circular**”);
4. to elect the directors of the Corporation;
5. to consider and, if thought appropriate, pass, with or without variation, a special resolution to authorize the directors of the Corporation to set the number of directors of the Corporation between the minimum and maximum provided in the articles, as more fully described in the accompanying Circular;
6. to consider and, if thought appropriate, pass, with or without variation, a resolution to approve certain amendments to the Corporation’s equity incentive plan, as more fully described in the accompanying Circular;
7. to consider and, if thought appropriate, pass, with or without variation, a resolution to authorize and approve the adoption of a shareholder rights plan of the Corporation, as more fully described in the accompanying Circular; and
8. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular, a form of proxy for Shareholders and a copy of the audited financial statements of the Corporation for the financial year ended March 31, 2021, together with the report of the auditor thereon.

Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of the Shareholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only via live webcast online at <https://web.lumiagm.com/281388222>, password: “cybin2021” (case sensitive). Shareholders and duly appointed proxyholders will be able to attend the Meeting (virtually), submit questions and vote by online ballot, provided they are connected to the internet and follow the instructions in the Circular.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, Odyssey Trust Company, (a) by mail at Attn: Proxy Department, 67 Yonge St., Suite 702, Toronto ON M5E 1J8, or (b) by voting online at <https://login.odysseytrust.com/pxlogin>, clicking on vote and entering their 12 digit control number by no later than 10:00 a.m. (Toronto time) on Thursday, August 12, 2021 or if the Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy must carefully follow the instructions in the Circular and on their form of proxy. These instructions include the additional step of registering the proxyholder with the Corporation's transfer agent, Odyssey Trust Company, after submitting the form of proxy. **If you wish that a person other than the management nominees identified on the form of proxy attend and participate at the Meeting as your proxy and vote your Common Shares, you MUST register the proxyholder after having submitted your form of proxy identifying such proxyholder. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving login credentials to participate in the Meeting and will not be able to attend or vote at the Meeting.**

The record date for the purposes of determining the Shareholders entitled to receive notice of and to vote at the Meeting and any adjournment(s) or postponement(s) is the close of business on July 6, 2021 (the **"Record Date"**). The Shareholders of record as of the close of business on the Record Date will be entitled to receive this Notice of Special Meeting of Shareholders and the accompanying Circular and to (virtually) attend and vote at the Meeting and any adjournment(s) or postponement(s) thereof.

DATED at Toronto, Ontario this 19th day of July, 2021.

BY ORDER OF THE BOARD

"Eric So"
Eric So
Director and President

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Cybin Inc. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Corporation (the “**Common Shares**”). Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of the Shareholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only via live webcast online at <https://web.lumiagm.com/281388222>, password: “cybin2021” (case sensitive). This Circular and the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) describes the item to be voted on at the Meeting as well as the voting process and other relevant matters.

The solicitation of proxies will primarily be made by sending proxy materials to the Shareholders by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation. Except as otherwise stated, the information contained herein is given as of July 19, 2021.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, Circular and form of proxy or voting instruction form (if applicable) (collectively, the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**” and each, an “**Intermediary**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Odyssey Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

VOTING AT THE MEETING

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See “How Do I Attend and Participate at the Meeting?”

APPOINTMENT AND REVOCATION OF PROXIES

A registered Shareholder can vote by proxy whether or not they attend the Meeting. The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A registered Shareholder desiring to appoint some other person (who need not be a Shareholder) to represent him, her or it at the Meeting may do so either by inserting such person’s name in the blank space provided in the applicable form of proxy or by completing another proper form of proxy.** In either case, a registered Shareholder can vote by proxy by delivering the completed proxy to the Corporation’s transfer agent and

registrar, Odyssey Trust Company, (a) by mail to Attn: Proxy Department, 67 Yonge St., Suite 702, Toronto ON M5E 1J8 in the prepaid addressed envelope provided for that purpose, or (b) by voting online at <https://web.lumiagm.com/281388222>, clicking on vote and entering their 12 digit control number so as to arrive by no later than 10:00 a.m. (Toronto time) on Thursday, August 12, 2021, or if the Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used.

If you wish that a person other than the management nominees identified on the proxy attend and participate at the Meeting as your proxy and vote your Common Shares, you must submit your proxy appointing such third party proxyholder AND complete the additional step of registering the proxyholder by emailing Odyssey Trust Company at cybin@odysseytrust.com by no later than 10:00 a.m. (Toronto time) on Thursday, August 12, 2021, or if the Meeting is adjourned, not less than 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used, and provide Odyssey Trust Company with the required proxyholder contact information, amount of Common Shares appointed, name in which the Common Shares are registered, so that Odyssey Trust Company may provide the proxyholder with a Username via email. Failure to register the proxyholder with Odyssey Trust Company will result in the proxyholder not receiving login credentials to participate in the Meeting and not being able to attend, participate or vote at the Meeting.

A Shareholder has the right to revoke a proxy that has been submitted. To revoke a proxy, the Shareholder may deliver a written notice to the registered office of the Corporation at any time up to and including the last business day before the Meeting or any adjournment of the Meeting. The proxy may also be revoked on the day of the Meeting or any adjournment of the Meeting by delivering written notice to the chairman of the Meeting. In addition, the proxy may be revoked by any other method permitted by law. The written notice of revocation may be executed by the Shareholder or by an attorney who has the Shareholder's written authorization. If the Shareholder is a corporation, the written notice must be executed by its duly authorized officer or attorney.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

Legal Proxy – US Beneficial Shareholders

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under "How do I attend and participate at the Meeting?", you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you

must then submit such legal proxy to Odyssey Trust Company. Requests for registration from Beneficial Shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to cybin@odysseytrust.com and received by 10:00 a.m. (Eastern Time) on Thursday, August 12, 2021.

HOW DO I ATTEND AND PARTICIPATE AT THE MEETING?

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), Shareholders must have a valid Username.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/281388222>. Such persons may then enter the Meeting by clicking “I have a login” and entering a Username and Password before the start of the Meeting:

- **Registered Shareholders:** The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is “cybin2021” (case sensitive). If you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cut-off.
- **Duly appointed proxyholders:** Odyssey Trust Company will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is “cybin2021” (case sensitive). Registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting MUST submit their duly completed proxy AND register the proxyholder. See “Appointment and Revocation of Proxies”.

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares, or non-objecting beneficial owners whose names has been provided to the Corporation’s registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (the “**Beneficial Shareholders**”). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to

the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting—the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its transfer agent and registrar, Odyssey Trust Company, has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on July 6, 2021 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 148,440,013 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporation Act* (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, no persons beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares.

All amounts in this Circular are expressed in Canadian dollars unless otherwise noted.

REVERSE TAKEOVER TRANSACTION

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on October 13, 2016 as “Clarmin Explorations Inc.” The Common Shares commenced trading on the TSX Venture Exchange (the “**TSXV**”) on January 8, 2018. Trading of the Common Shares was halted on June 29, 2020 in connection with the announcement of the Transaction (as defined below).

On November 5, 2020, Cybin Corp. (“**Privateco**”) amalgamated with 2762898 Ontario Inc. (“**Subco**”) and the Corporation acquired all of the issued and outstanding common shares in the capital of Privateco (“**Privateco Shares**”) in exchange for Common Shares on the basis of one Common Share for every one Privateco Share then issued and outstanding. The amalgamation resulted in the reverse take-over of the Corporation by Privateco (the “**Transaction**”). In connection with and immediately prior to the Transaction, the Corporation filed articles of continuance to: (i) continue from the BCBCA to the *Business Corporations Act* (Ontario) (the “**OBCA**”); and (ii) change its name from “Clarmin Explorations Inc.” to “Cybin Inc.” Effective November 9, 2020, the Common Shares were delisted from trading on the TSXV. On November 10, 2020, the Common Shares began trading on the Exchange (as defined below).

In connection with the completion of the Transaction, the Corporation elected a new board of directors and a new equity incentive plan (the “**Equity Incentive Plan**”) was also approved, a summary of which is provided below. Upon completion of the Transaction, the Corporation implemented certain changes to its corporate governance and executive compensation practice, as further described herein.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

In 2020, after the completion of the Transaction, the time and attention of the Board and executive management was largely taken up by establishing the Corporation’s business and financing it. As a result, in 2020, the Board had not yet completed a comprehensive compensation and corporate governance review and, as of the date of this Circular, that review is still ongoing. As a result of this review, the following Compensation Discussion and Analysis reflects the Corporation’s planned compensation approach, the details and implementation of which are subject to final Board approval.

The general objectives of the Corporation’s compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

Management Contracts

The following is a description of the management contracts for the Named Executive Officers (as defined below):

Douglas Drysdale

Douglas Drysdale currently receives a base salary of US\$440,000 per annum for his services as Chief Executive Officer of the Corporation. He has entered into an employment agreement (the “**CEO Employment Agreement**”) with the Corporation which is for an indefinite term and includes provisions relating to, among other things, base salary, eligibility for benefits, an annual performance bonus and equity

awards. As per the CEO Employment Agreement, Mr. Drysdale is eligible to be considered for an annual performance bonus, currently for up to 65% of Mr. Drysdale's base salary and shall be based on criteria established by the Board and the Compensation Committee.

In the event that the CEO Employment Agreement is terminated without cause, the Corporation will pay to Mr. Drysdale a cash severance payment equal to six months base salary. Mr. Drysdale may terminate the CEO Employment Agreement by providing 30 days' written notice to the Corporation. Assuming termination for cause occurred on December 31, 2020, the estimated severance payment to Mr. Drysdale would have been approximately US\$202,890.

Greg Cavers, Eric So, Paul Glavine and John Kanakis

The following Named Executive Officers (as defined herein), serving in the following capacities, currently receive the following annual salaries:

1. Greg Cavers currently receives \$180,000 per annum for his services as Chief Financial Officer of the Corporation;
2. Eric So currently receives \$480,000 per annum for his services as President of the Corporation;
3. Paul Glavine currently receives \$480,000 per annum for his services as Chief Growth Officer of the Corporation; and
4. John Kanakis currently receives \$480,000 per annum for his services as Chief Business Officer of the Corporation.

Each of such Named Executive Officers has entered into an agreement with the Corporation which is for an indefinite term and includes standard provisions relating to, among other things, base salary, eligibility for employee benefits, equity awards and confidentiality and intellectual property rights.

Mr. Cavers employment agreement provides that the Corporation may terminate his employment without cause provided, however, that if the Corporation terminates his employment without cause, the Corporation will provide Mr. Cavers with three months' notice of termination (or pay in lieu), plus an additional one months' notice (or pay in lieu) for each year of completed service with the Corporation.

Mr. So, Mr. Glavine and Mr. Kanakis' consulting agreements provide that their respective agreements may be terminated on 24 months' notice and upon payment of all accrued fees and other fees that would be due during such 24 month period.

The agreements do not contain severance or change of control provisions.

Elements of Compensation

The compensation of Named Executive Officers (as such term is defined below) is comprised of the following elements: (a) base salary; and (b) long-term equity incentives, consisting of Awards (as such term is defined below) granted under the Corporation's Equity Incentive Plan. These principal elements of compensation are described in further detail below.

1. Base Salary

Each Named Executive Officer (as such term is defined below) receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is provided in recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's base salary is reviewed by the board of directors of the Corporation (the "**Board**") or the Compensation Committee on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. At the discretion of the Board or the Compensation Committee, each of the Named Executive Officers is eligible to receive performance bonuses, which are contingent on the Named Executive Officer achieving certain performance objectives set annually by the Compensation Committee.

2. Equity Incentive Plan

On August 13, 2020, the Corporation received Shareholder approval of the Equity Incentive Plan and on November 5, 2020, it was adopted by the Board. The Equity Incentive Plan permits the granting of (i) stock options ("**Non-Qualified Stock Options**") and incentive stock options ("**Incentive Stock Options**") and, collectively with the Qualified Stock Options, the "**Options**", (ii) stock appreciation rights ("**SARs**"), (iii) restricted share awards ("**Restricted Shares**"), (iv) restricted share units ("**RSUs**"), (v) performance awards ("**Performance Awards**"), (vi) dividend equivalents ("**Dividend Equivalents**") and (vii) other share based awards ("**Other-Share Based Awards**") (collectively, the "**Awards**"). Awards are granted by either the Board or the compensation committee of the Board (the "**Compensation Committee**"). A copy of the Equity Incentive Plan is attached as Schedule "D" hereto.

The Equity Incentive Plan is intended to promote the interests of the Corporation and its Shareholders by aiding the Corporation in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of assuring the future success of the Corporation, to offer such persons incentives to put forth maximum efforts for the success of the Corporation's business and to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Corporation, thereby aligning the interests of such persons with the Shareholders.

Shares Subject to the Equity Incentive Plan

The Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued under all Awards under the Equity Incentive Plan shall not exceed 20% of the Corporation's issued and outstanding Common Shares from time to time, such number being 29,688,003 as at the date of this Circular. Notwithstanding the foregoing, the aggregate number of Common Shares that may be issued pursuant to awards of Incentive Stock Options shall not exceed 22,266,002.

The Equity Incentive Plan is considered an "evergreen" plan, since the Common Shares covered by Awards which have been exercised, settled or terminated shall be available for subsequent grants under the Equity Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding Common Shares increases.

As at the date of this Circular, a total of 25,541,452 Common Shares are issuable pursuant to Options granted under the Equity Incentive Plan, representing approximately 17.2% of the Corporation's issued and outstanding Common Shares. An aggregate of 4,146,550 Common Shares (plus any Awards forfeited or cancelled) are available for issuance under the Equity Incentive Plan, representing approximately 8% of the

Corporation's issued and outstanding Common Shares as at the date of this Circular. As of the date of this Circular, a total of 7,735,900 Common Shares are issuable pursuant to Incentive Stock Options granted under the Equity Incentive Plan.

Eligibility

Any of the Corporation's employees, officers, consultants, advisors and non-employee directors or any affiliate or person to whom an offer of employment or engagement with the Corporation is extended, are eligible to participate in the Equity Incentive Plan (the "**Participants**"). The basis of participation of an individual under the Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Equity Incentive Plan, will be determined by the Compensation Committee based on its judgment as to the best interests of the Corporation and its Shareholders, and therefore cannot be determined in advance.

If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, within 90 days following the date on which it ceased to be an Eligible Person, an investor relations person or holder of Incentive Stock Options, exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The Compensation Committee may extend such 90 day period subject to obtaining any approval required by the Neo Exchange Inc. (the "**Exchange**" or the "**NEO**") and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire on such date, unless extended pursuant to the Equity Incentive Plan. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person will be deemed to expire immediately following the 90 day period unless extended pursuant to the Equity Incentive Plan.

Administration of the Equity Incentive Plan

The Equity Incentive Plan shall be administered by the Compensation Committee. The Compensation Committee shall have full power and authority to designate Participant, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Compensation Committee may determine.

In addition, the Compensation Committee interprets the Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Types of Awards

Options

Under the terms of the Equity Incentive Plan, unless the Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options may not be lower than the greater of the closing market price of the Common Shares on the NEO on (a) the trading day prior to the date of grant of the Options and (b) the date of grant of the Options. Options granted under the Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation

Committee and specified in the applicable award agreement. The maximum term of an Option granted under the Equity Incentive Plan will be ten years from the date of grant. Payment in respect of the exercise of an Option may not be made, in whole or in part, with a promissory note.

Unless otherwise specified by the Compensation Committee the time of granting an Option and set forth in the particular Award Agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Fair Market Value of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to the provisions of the Equity Incentive Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

Restricted Shares and RSUs

Awards of Restricted Shares and RSUs shall be subject to such restrictions as the Compensation Committee may impose (including, without limitation, any limitation on the right to vote or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Compensation Committee may deem appropriate. Upon a Participant’s termination of employment or service or resignation or removal as a director (in either case, as determined under criteria established by the Compensation and Nominating Committee) during the applicable restriction period, all Restricted Shares and all RSUs held by such Participant at such time shall be forfeited and reacquired by the Corporation for cancellation at no cost to the Corporation; provided, however, that the Compensation Committee may waive in whole or in part any or all remaining restrictions with respect to shares of Restricted Share or RSUs. Pursuant to the policies of the NEO, the value ascribed to the Common Shares covered by the Restricted Share or RSU may not be lower than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Restricted Shares or RSUs, and (b) the date of grant of the Restricted Shares or RSUs. Any Restricted Share or RSU granted under the Equity Incentive Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Compensation Committee may deem appropriate.

Stock Appreciation Rights

A SAR granted under the Equity Incentive Plan shall confer on the Participant a right to receive upon exercise, the excess of (i) the Fair Market Value of one Common Share on the date of exercise over (ii) the grant price of the SAR as specified by the Compensation Committee (which price shall not be less than 100% of the Fair Market Value of one Common Share on the date of grant of the SAR); provided, however, that, subject to applicable law and stock exchange rules, the Compensation Committee may designate a grant price below Fair Market Value on the date of grant if the SAR is granted in substitution for a stock appreciation right previously granted by an entity that is acquired by or merged with the Corporation or an Affiliate. Notwithstanding the foregoing, pursuant to the rules of the NEO, Common Shares issued in connection with SARs may not be priced lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the SAR, and (b) the date of grant of the SAR. Subject to the terms of the Equity Incentive Plan, the policies of the NEO and any applicable Award Agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement, equity compensation and any other terms and conditions of any SAR shall be as determined by the Compensation Committee. The Compensation Committee may impose such conditions or restrictions on the exercise of any SAR as it may deem appropriate. No SAR may be exercised more than ten years from the grant date.

Performance Awards

A Performance Award granted under the Equity Incentive Plan (i) may be denominated or payable in cash, Common Shares (including without limitation, Restricted Share and RSUs), other securities, other Awards or other property and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Compensation Committee shall establish. Notwithstanding the foregoing, pursuant to the rules of the NEO, Performance Awards may not be priced lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the Performance Award, and (b) the date of grant of the Performance Award. Subject to the terms of the Equity Incentive Plan and the policies of the NEO, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award shall be determined by the Compensation Committee.

Dividend Equivalents

A Dividend Equivalent granted under the Equity Incentive Plan allows Participants to receive payments (in cash, Common Shares, other securities, other Awards or other property as determined in the discretion of the Compensation Committee) equivalent to the amount of cash dividends paid by the Corporation to holders of Common Shares with respect to a number of Common Shares as determined by the Compensation Committee. Subject to the terms of the Equity Incentive Plan, the policies of the NEO and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Compensation Committee shall determine. Notwithstanding the foregoing, (i) the Compensation Committee may not grant Dividend Equivalents to Eligible Persons in connection with grants of Options, SARs or other Awards the value of which is based solely on an increase in the value of the Common Shares after the date of grant of such Award, and (ii) dividend and Dividend Equivalent amounts may be accrued but shall not be paid unless and until the date on which all conditions or restrictions relating to such Award have been satisfied, waived or lapsed. Subject to the terms of the Equity Incentive Plan, the policies of the NEO and any applicable award agreement, such Dividend Equivalents may have such terms and conditions as the Compensation Committee shall determine, provided that pursuant to the rules of the NEO, Dividend Equivalents may not be priced lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the Dividend Equivalent, and (b) the date of grant of the Dividend Equivalent.

Other Share-Based Awards

In addition, Awards may be granted under the Equity Incentive Plan that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares), as are deemed by the Compensation Committee to be consistent with the purpose of the Equity Incentive Plan in accordance with applicable regulations, provided that pursuant to the rules of the NEO, such Awards may not be priced lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the Award, and (b) the date of grant of the Award.

Term

While the Equity Incentive Plan does not stipulate a specific term for Awards granted thereunder, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Corporation. All awards must vest and settle in accordance with the provisions of the Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

In the event an Award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Non-Transferability of Awards

No Award and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Corporation or any Affiliate. The Compensation Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death. In the event of a Participant's death, any unexercised, options issued to such Participant shall be exercisable within a period of one year next succeeding the year in which the Participant died, unless such exercise period is extended by the Compensation Committee and approval is obtained from the stock exchange on which the Shares then trade, as applicable.

Compensation of Directors

Independent members of the Board are paid \$40,000 annually, which amount is paid quarterly. In addition, the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Compensation Committee and the Chairman of the Corporate Governance and Nominating Committee each receive an additional annual cash fee of \$10,000. Directors of the Corporation are also compensated for their services through the granting of stock options and other equity incentives, and may also be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors.

Officers of the Corporation who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation in their capacity as officers.

Compensation Risk

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Corporation's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Corporation's practice of compensating its officers primarily through a mix of salary, bonus and stock options is designed to mitigate risk by: (i) ensuring that the Corporation retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Corporation and its shareholders. As at the date of this Circular, the Board had not identified risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Pursuant to the terms of the Corporation's Insider Trading Policy, the Corporation's officers and directors are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an officer or director.

Compensation Governance

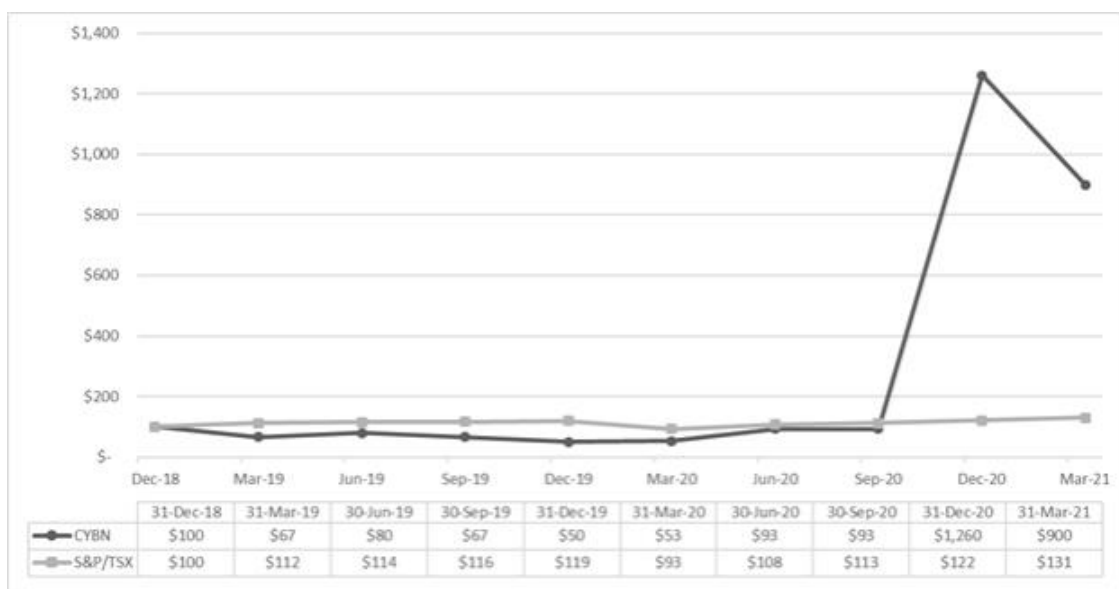
In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is composed of Eric So, Eric Hoskins and Grant Froese. Mr. So is not considered "independent", as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Corporation's other executive officers is determined with regard to the Corporation's business strategies and objectives, such that the financial interest of the executive officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

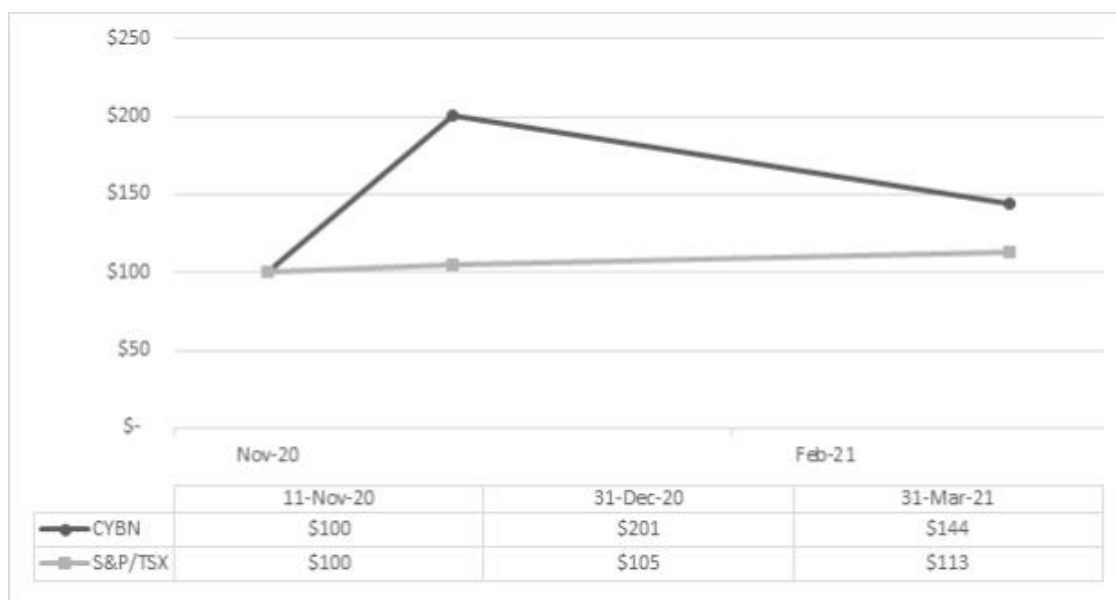
As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Corporation's compensation policies and practices. Both Mr. So and Mr. Froese have experience on the board of directors and related committees of other public companies, as described under "*Particulars of Matters to be Acted Upon—Election of Directors*" in this Circular.

PERFORMANCE GRAPH

The following graph compares the percentage change in the cumulative Shareholder return on the Common Shares compared to the cumulative total return of the S&P/TSX Composite Index for the period commencing on December 31, 2018 to March 31, 2021 based on the price of the Common Shares, assuming a CDN\$100 investment on December 31, 2018 and reinvestment of dividends. From December 31, 2018 to June 29, 2020 (the date the Common Shares were halted in connection with the announcement of the Transaction), the performance reflected is that of Clarmin, the Corporation's predecessor business, and is not reflective of the Corporation's business or performance since the completion of the Transaction on November 5, 2020 and the listing of its Common Shares on the Exchange on November 10, 2020.



The Corporation's total shareholder return for the portion of the year from the completion of the Transaction and March 31, 2021 was 44%; during 2020 and into 2021 the Corporation completed a series of financings that provided it with a net cash position as at March 31, 2021 of \$64 million. The Board has not, as of the date of the Circular, determined any incentive payments based on the Corporation's results for 2021, including its total shareholders' return, but it is anticipated that as part of the compensation and governance review, the Board will consider and approve incentive payments that take into account these factors. As the completion of the Transaction marked the beginning of the commencement of the current business of the Corporation, the Corporation considers its share performance since completion of the Transaction to be pertinent to its Shareholders. Therefore, the next graph compares the percentage change in the cumulative Shareholder return on the Common Shares commencing with the listing of the Common Shares on the Exchange on November 10, 2020 to March 31, 2021, compared to the cumulative total return of the S&P/TSX Composite Index for the same period, assuming a CDN\$100 investment on November 10, 2020 and reinvestment of dividends.



Summary Compensation Table – Named Executive Officers

In this Circular, a “Named Executive Officer” means: (a) the Chief Executive Officer of the Corporation at any time during the 2021 fiscal year; (b) the Chief Financial Officer of the Corporation at any time during the 2021 fiscal year; (c) the three other most highly compensated executive officers of the Corporation at the end of the financial year ended March 31, 2021 whose total compensation, individually, was greater than \$150,000; and (d) each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor serving in a similar capacity, at the end of the financial year ended March 31, 2021.

For the financial year ended March 31, 2021, the Corporation had the following Named Executive Officers, namely: (a) Nico Civelli, former Chief Executive Officer and President; (b) Doug Drysdale, Chief Executive Officer; (c) Harry Nijjar, former Chief Financial Officer; (d) Greg Cavers, Chief Financial Officer; (e) Eric So, President; (f) Paul Glavine, Chief Growth Officer; and (g) John Kanakis, Chief Business Officer. Former Clarmin executives, who served as Named Executive Officers prior to the Transaction are also listed. The following table presents the compensation earned by the Named Executive Officers for the years ended March 31, 2021, 2020 and 2019. All amounts are in Canadian dollars.

Name and principal position	Year ⁽¹⁾	Salary/ Fee (\$)	Share- based awards (\$)	Option- based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long- term incentive plans			
Nico Civelli, ⁽³⁾ Former Chief Executive Officer and President	2021	—	—	—	—	—	—	—	—
	2020	—	—	—	—	—	—	—	—
	2019	—	—	—	—	—	—	—	—
Douglas Drysdale, ⁽⁴⁾ Chief Executive Officer	2021	276,648 ⁽⁵⁾	—	1,607,422	340,832 ⁽⁵⁾	—	—	—	2,224,902
	2020	—	—	—	—	—	—	—	—
	2019	—	—	—	—	—	—	—	—

Name and principal position	Year(1)	Salary/ Fee (\$)	Share- based awards (\$)	Option- based awards \$(2)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long- term incentive plans			
Harry Nijjar,(6) Former Chief Financial Officer	2021	—	—	—	—	—	—	—	—
	2020	18,607	—	—	—	—	—	—	18,607
	2019	11,439	—	—	—	—	—	—	11,439
Greg Cavers,(7) Chief Financial Officer	2021	158,670	—	229,432	50,000	—	—	—	438,102
	2020	—	—	—	—	—	—	—	—
	2019	—	—	—	—	—	—	—	—
Eric So,(8) President	2021	290,000	—	804,435	999,722(11)	—	—	—	2,094,157
	2020	105,000	—	—	—	—	—	—	105,000
	2019	—	—	—	—	—	—	—	—
Paul Glavine,(9) Chief Growth Officer	2021	290,000	—	804,435	999,722(11)	—	—	—	2,094,157
	2020	105,000	—	—	—	—	—	—	105,000
	2019	—	—	—	—	—	—	—	—
John Kanakis,(10) Chief Business Officer	2021	290,000	—	804,435	999,722(11)	—	—	—	2,094,157
	2020	105,000	—	—	—	—	—	—	105,000
	2019	—	—	—	—	—	—	—	—

Notes:

- (1) In connection with closing of the Transaction, the Corporation changed its year-end from July 31 to March 31.
- (2) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following weighted average assumptions (the grant date fair value equals the accounting fair value for stock options):

<u>Grant Date:</u>	<u>June 15, 2020¹</u>	<u>November 4, 2021²</u>	<u>December 28, 2020³</u>
Risk free interest rate	0.38%	0.36%	0.41%
Dividend yield	0%	0%	0%
Volatility factor	95%	95%	95%
Average expected life	5	5	5
Fair value (rounded)	\$ 0.18	\$ 0.54	\$ 1.35

1 Relates to options granted to Greg Cavers

2 Relates to options granted to Douglas Drysdale, Eric So, Paul Glavine, and John Kanakis

3 Relates to options granted to Greg Cavers

- (3) Mr. Civelli was appointed as the Chief Executive Officer of the Corporation as of March 2017. In connection with the Transaction, Mr. Civelli resigned as Chief Executive Officer effective November 5, 2020.
- (4) Mr. Drysdale commenced employment with Cybin Corp. in August 2020 and was appointed as Chief Executive Officer of the Corporation effective November 5, 2020.
- (5) The period of compensation during the 2021 financial year for Mr. Drysdale was less than 12 months; on an annualized basis, his base salary would have been \$385,631. Mr. Drysdale's salary is paid in U.S. dollars and has been converted to Canadian dollars for the purpose of this Circular using an exchange rate of 1.2575, being the Bank of Canada daily exchange rate as of March 31, 2021.
- (6) Mr. Nijjar was appointed as Chief Financial Officer of the Corporation on April 24, 2017. In connection with the Transaction, Mr. Nijjar resigned as Chief Financial Officer effective November 5, 2020.
- (7) Prior to November 5, 2020, Mr. Cavers was the Chief Financial Officer of Cybin Corp. In connection with the Transaction, Cybin Corp. became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. Cavers by both the Corporation and Cybin Corp. Mr. Cavers was appointed as Chief Financial Officer of the Corporation effective November 5, 2020.
- (8) Prior to November 5, 2020, Mr. So was the President of Cybin Corp. In connection with the Transaction, Cybin Corp. became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. So by both the Corporation and Cybin Corp. Mr. So was appointed as President of the Corporation effective November 5, 2020.
- (9) Prior to November 5, 2020, Mr. Glavine was the Chief Operating Officer of Cybin Corp. In connection with the Transaction, Cybin Corp. became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. Glavine by both the Corporation and Cybin Corp. Mr. Glavine was appointed as Chief Operating Officer of the Corporation effective November 5, 2020. On March 29, 2021, Mr. Glavine ceased to be the Chief Operating Officer and was appointed as Chief Growth Officer of the Corporation.

- (10) Prior to November 5, 2020, Mr. Kanakis was the SVP, Business Development of Cybin Corp. In connection with the Transaction, Cybin Corp. became a wholly-owned subsidiary of the Corporation. The salaries above include those paid to Mr. Kanakis by both the Corporation and Cybin Corp. Mr. Kanakis was appointed as SVP, Business Development of the Corporation effective November 5, 2020. On March 29, 2021, Mr. Kanakis ceased to be the SVP, Business Development and was appointed as Chief Business Officer of the Corporation.
- (11) Amount includes \$724,722 related to warrants issued on June 15, 2020 with an exercise price of \$0.25. The warrants vested on issuance and expire on June 15, 2025. Fair value calculated based on the Black-Scholes model for warrant valuation. The fair value of the warrants has been calculated based on the following weighted average assumptions (the grant date fair value equals the accounting fair value for stock options):

Grant Date:	June 15, 2020
Risk free interest rate	1.82%
Dividend yield	0%
Volatility factor	95%
Average expected life	5
Fair value (rounded)	\$ 0.18

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of March 31, 2021:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options(1) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested(2) (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Nico Civelli, Former Chief Executive Officer and President	—	—	—	—	—	—	—
Douglas Drysdale, Chief Executive Officer	3,000,000	\$ 0.75	October 12, 2025	1,800,000	—	—	—
Harry Nijjar, Former Chief Financial Officer	—	—	—	—	—	—	—
Greg Cavers, Chief Financial Officer	150,000 150,000	\$ 0.25 \$ 1.89	June 15, 2025 December 28, 2025	165,000 —	— —	— —	— —
Eric So, President	1,500,000	\$ 0.75	November 4, 2025	900,000	—	—	—
Paul Glavine, Chief Growth Officer	1,500,000	\$ 0.75	November 4, 2025	900,000	—	—	—
John Kanakis, Chief Business Officer	1,500,000	\$ 0.75	November 4, 2025	900,000	—	—	—

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$1.35 for the Common Shares on the Exchange on the last trading day of the year ended March 31, 2021 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) The “market or payout value of share-based awards that have not vested” is calculated based on the closing price of \$1.35 for the Common Shares on the Exchange on the last trading day of the year ended March 31, 2021 multiplied by the number of Common Shares that have not vested.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the year ended March 31, 2021:

<u>Name</u>	<u>Option-based awards – Value vested during the year⁽¹⁾ (\$)</u>	<u>Share-based awards – Value vested during the year (\$)</u>	<u>Non-equity incentive plan compensation – Value earned during the year (\$)</u>
Nico Civelli, Former Chief Executive Officer and President	—	—	—
Douglas Drysdale, Chief Executive Officer	450,000	—	348,526
Harry Nijjar, Former Chief Financial Officer	—	—	—
Greg Cavers, Chief Financial Officer	165,000	—	50,000
Eric So, President	225,000	—	999,722
Paul Glavine, Chief Growth Officer	225,000	—	999,722
John Kanakis, Chief Business Officer	225,000	—	999,722

Note:

- (1) The “value vested during the year” is calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date based on the difference between the closing price for the Common Shares on the Exchange, as applicable, as of the date of vesting (or the most recent closing price on the exchange, if applicable) and the exercise price of the options, multiplied by the number of vested options.

Director Compensation**Director Compensation Table**

The following table sets forth all amounts of compensation provided to the directors of the Corporation (other than directors who are also Named Executive Officers) during the financial year ended March 31, 2021:

<u>Name</u>	<u>Fees Earned (\$)</u>	<u>Share-based awards (\$)</u>	<u>Option-based awards⁽¹⁾ (\$)</u>	<u>All other compensation⁽²⁾ (\$)</u>	<u>Total (\$)</u>
Grant Froese ⁽³⁾	12,500	—	263,427	345,815	621,742
Eric Hoskins ⁽³⁾	12,500	—	263,427	208,358	484,285
Mark Lawson	27,500	—	297,200	—	324,700
Matthew Sutcliffe ⁽⁴⁾	—	—	—	—	—

Notes:

- (1) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following weighted average assumptions (the grant date fair value equals the accounting fair value for stock options):

Grant Date:	December 28, 2020
Risk free interest rate	0.41%
Dividend yield	0%
Volatility factor	95%
Average expected life	5
Fair value (rounded)	\$ 1.35

- (2) Related to warrants issued to the directors prior to being appointed to the board. Fair value calculated based on the Black-Scholes model for warrant valuation. The fair value of the warrants has been calculated based on the following weighted average assumptions (the grant date fair value equals the accounting fair value for stock options):

Grant Date:	June 15, 2020¹	August 20, 2020²
Risk free interest rate	1.82%	1.21%
Dividend yield	0%	0%
Volatility factor	95%	95%
Average expected life	5	5
Fair value (rounded)	\$ 0.18	\$ 0.46

1 Issued to Mr. Hoskins, vested over 5 months

2 Issued to Mr. Froese, vest over 8 quarters

- (3) Appointed to the Board on November 5, 2020, in connection with closing of the Transaction.

- (4) Served as a member of the Board until November 5, 2020.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than directors who are also Named Executive Officers) as of March 31, 2021:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Grant Froese	195,000	\$ 1.89	December 28, 2025	—	—	—	—
Eric Hoskins	195,000	\$ 1.89	December 28, 2025	—	—	—	—
Mark Lawson	59,952	\$ 0.67	December 11, 2022	40,767	—	—	—
	220,000	\$ 1.89	December 28, 2025	—	—	—	—
Matthew Sutcliffe	—	—	—	—	—	—	—

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$1.35 for the Common Shares on the Exchange on the last trading day of the year ended March 31, 2021 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) The “market or payout value of share-based awards that have not vested” is calculated based on the closing price of \$1.35 for the Common Shares on the Exchange on the last trading day of the year ended March 31, 2021 multiplied by the number of Common Shares that have not vested.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned by each director of the Corporation (other than directors who are also named Executive Officers) during the year ended March 31, 2021:

<u>Name</u>	<u>Option-based awards – Value vested during the year (\$)</u>	<u>Share-based awards – Value vested during the year⁽¹⁾ (\$)</u>	<u>Non-equity incentive plan compensation – Value earned during the year (\$)</u>
Grant Froese	—	—	345,815
Eric Hoskins	—	—	208,358
Mark Lawson	40,935	—	—
Matthew Sutcliffe	—	—	—

Note:

- (1) The “value vested during the year” is calculated based on the difference between the closing price for the Common Shares on the Exchange as of the date of vesting (or the most recent closing price on the Exchange) and the exercise price of the options, multiplied by the number of vested options.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding options pursuant to the Equity Incentive Plan as at March 31, 2021:

<u>Plan Category</u>	<u>Number of Common Shares to be issued upon exercise of outstanding options</u>	<u>Weighted-average exercise price of outstanding options</u>	<u>Number of Common Shares remaining available for future issuance under equity compensation plans</u>
Equity compensation plans approved by security holders	22,032,452	\$ 1.01	7,533,944
Equity compensation plans not approved by security holders	—	—	—
Total	22,032,452	\$ 1.01	7,533,944

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended March 31, 2021 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial year ended March 31, 2021 or as at the date of this Circular in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in NI 58-101, is set out at Schedule "A" to this Circular.

AUDIT COMMITTEE DISCLOSURE

Audit Committee's Charter

The charter (the "**Charter**") of the Corporation's Audit Committee is reproduced as Schedule "B".

Composition of Audit Committee

As at the date of this Circular, the Audit Committee is composed of Mark Lawson (Chair), Eric Hoskins and Grant Froese, each of whom is a director of the Corporation.

All of the members of the Audit Committee are "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation is of the opinion that all three members of the Audit Committee are "financially literate" as such term is defined in NI 52-110.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Eric Hoskins – Mr. Hoskins served as the Minister of Health for Ontario for 4 years and was responsible for creating, overseeing and administering a \$55 billion budget. He was also a member of the Ontario government Cabinet for ten years regularly reviewing and commenting on budgets and financial statements. Mr. Hoskins was the Chief Financial Officer of War Child Canada, a \$30 million charity, for 8 years. He also has a degree in Health Economics.

Grant Froese – Mr. Froese had a 38-year career with retail giant Loblaw Companies Limited, including 3 years as Chief Operating Officer responsible for all levels of operations and merchandising, as well as oversight of information technology, supply chain, digital/e-commerce, marketing and industry-leading control brands. In his capacity as Chief Operating Officer, Mr. Froese was responsible for financial budgeting, operational P/L and annual revenues of approximately \$30 million. Mr. Froese served as Chief Executive Officer of Harvest One Cannabis Inc., where he was responsible for oversight of all aspects of the company's production, operations and financial matters including, the review and approval of quarterly and annual financial statements, AIF, MD&A, and related corporate disclosures. Mr. Froese has a Diploma in Business Administration.

Mark Lawson – Mr. Lawson was previously an investment banker with Morgan Stanley in New York where he was involved in the execution of over \$6 billion worth of mergers and acquisitions, \$8 billion worth of debt offerings and \$500 million of equity financings in the healthcare, energy, technology, and media &

telecom sector. He received his Bachelor of Arts in Statistical Sciences from The University of Western Ontario, Canada, and his MBA in Finance from The Richard Ivey School of Business, University of Western Ontario, Canada. Mr. Lawson was previously the Chief Financial Officer of a TSXV listed company.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

Audit Fees – The Corporation's external auditors billed \$201,630 and \$31,500 for the audit of the financial years ended March 31, 2021 and 2020, respectively.

Audit-Related Fees – The Corporation's external auditors billed \$97,529 and nil for the review of financial statements during the financial years ended March 31, 2021 and 2020, respectively.

Tax Fees – The Corporation's external auditors billed the Corporation nil and \$3,500 during the financial years ended March 31, 2021 and 2020, respectively, for services related to tax compliance, tax advice and tax planning.

All Other Fees – The Corporation's external auditors billed the Corporation \$18,836 and nil during the financial years ended March 31, 2021 and 2020 for services including review of certain short form prospectuses.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

1. Appointment of Auditor

Management proposes to nominate Zeifmans LLP, which firm has been auditor of the Corporation since November 2020, as auditor of the Corporation to hold office until the next annual meeting of Shareholders.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF ZEIFMANS LLP AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

2. Board Number Resolution

At the Meeting, Shareholders will be asked to approve the following special resolution setting the number of directors of the Board at six (6) directors (the “**Board Number Resolution**”):

“BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT the number of directors of the Corporation within the minimum and maximum number of directors provided for in the articles of the Corporation to be elected is determined to be six (6).”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE BOARD NUMBER RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF NOT LESS THAN TWO-THIRDS OF THE VOTES CAST AT THE MEETING BY SHAREHOLDERS IS SUFFICIENT FOR THE APPROVAL OF THE BOARD NUMBER RESOLUTION.

3. Election of Directors

The Board presently consists of five directors, namely, Eric So, Paul Glavine, Eric Hoskins, Grant Froese and Mark Lawson. At the Meeting, the Shareholders will be asked to set the number of directors of the Corporation at six directors and to elect the six nominees set forth below, namely, Eric So, Paul Glavine, Eric Hoskins, Grant Froese, Mark Lawson and Theresa Firestone (collectively, the “**Board Nominees**” and each a “**Board Nominee**”) as directors of the Corporation. Each Board Nominee elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed form of proxy permits Shareholders to vote for all the Board Nominees together or for each Board Nominee on an individual basis.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE BOARD NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR BOARD NOMINEE OR BOARD NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE BOARD NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE BOARD NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Majority Voting Policy

Shareholders will vote for the election of each individual proposed director nominee separately. The Corporation has adopted a majority voting policy for the election of directors whereby any nominee director (in an uncontested election) who receives more “withheld” votes than “for” votes at any meeting where Shareholders vote on the election, the director will be expected to submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will then have 90 days to accept the resignation, during which time an alternate Board member may be appointed. The Board shall be expected to accept the resignation absent exceptional circumstances that would warrant the applicable director to continue to serve on the Board. In determining whether to accept the resignation, the Board will consider various matters including the results of the vote of Shareholders, the contribution of the director to the Board and committee discussions, the expressed reasons (if any) for which the withheld votes have been given, the merits of such reasons, and the ability to address the underlying concerns. The Board will promptly disclose the results of the vote director by director and will promptly issue a news release disclosing the Board’s decision. If the Board determines not to accept a resignation, the news release shall fully state the reasons for that decision.

The director under consideration will not participate in any Board or committee deliberations relating to his or her potential resignation. Subject to any corporate law restrictions, the Board may (i) leave a resultant vacancy unfilled until the next annual meeting of Shareholders; (ii) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of Shareholders; or (iii) call a special meeting of Shareholders at which there will be presented individuals to fill the vacant position or positions.

Advance Notice Requirement

The Corporation’s By-Law No. 1, contains a requirement providing for advance notice of nominations of directors (the “**Advance Notice Requirement**”) in certain circumstances where nominations for election to the Board are made by Shareholders. For an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made. The Corporation’s By-Law No. 1 is available under the Corporation’s profile on SEDAR at www.sedar.com.

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors

ERIC SO

Ontario, Canada

Director Since: November 5, 2020

NOT INDEPENDENT**Principal Occupation and Biographical Information**

Eric So is a Co-founder and President of the Corporation. He is a veteran owner and operator of various public and private companies over the last 15 years and has led C-level corporate strategy, development and finance at all stages of the business life cycle from start-up to high growth and multinational. He began his career practicing in the areas of corporate commercial, securities, finance and mergers and acquisitions at Torys LLP.



Current Board/Committee Membership	2021 Attendance (Total)		Other Public Board Memberships
Member of the Board	3 of 3	100%	None.
Member of the Compensation Committee	2 of 2	100%	
Number of Common Shares Beneficially Owned, Controlled or Directed			11,572,411 ⁽¹⁾

Note:

- (1) Represents 2,000,000 Common Shares held by the spouse of Eric So, 1,716,667 Common Shares held directly by Mr. So and 7,855,744 Common Shares held by the So Family Trust – 2017, controlled by Mr. So.

PAUL GLAVINE

Ontario, Canada

Director Since: November 5, 2020

NOT INDEPENDENT**Principal Occupation and Biographical Information**

Paul Glavine is a Co-founder and the Chief Operating Officer of the Corporation. He is a serial entrepreneur and investor with vast experience in the biotech and cannabis sectors. He is the Co-founder of TruVerra, which was acquired by Supreme Cannabis Company, and previously granted the first ever tier 3 cultivation licence in Jamaica. His previous background is in the parking technology industry and he has advised on M&A and other financings.



Current Board/Committee Membership	2021 Attendance (Total)		Other Public Board Memberships
Member of the Board	3 of 3	100%	None.
Number of Common Shares Beneficially Owned, Controlled or Directed			11,242,407 ⁽¹⁾

Note:

- (1) Represents 750,000 Common Shares held by the spouse of Paul Glavine, 1,716,666 Common Shares held directly by Mr. Glavine and 8,775,741 Common Shares held by the PLG Family Trust, controlled by Mr. Glavine.

ERIC HOSKINS

Ontario, Canada

Director Since: November 5, 2020

INDEPENDENT**Current Board/Committee Membership**

Member of the Board
 Member of the Audit Committee
 Member of the Compensation Committee
 Member of the Governance and Nominating Committee

2021 Attendance (Total)

3 of 3 100%
 3 of 3 100%
 2 of 2 100%
 N/A N/A

Other Public Board Memberships

Think Research Corporation
 (THNK-TSXV)

Number of Common Shares Beneficially Owned, Controlled or Directed

Nil.

GRANT FROESE

Ontario, Canada

Director Since: November 5, 2020

INDEPENDENT**Current Board/Committee Membership**

Member of the Board
 Member of the Audit Committee
 Member of the Compensation Committee
 Member of the Governance and Nominating Committee

2021 Attendance (Total)

3 of 3 100%
 3 of 3 100%
 2 of 2 100%
 N/A N/A

Other Public Board Memberships

None.

Number of Common Shares Beneficially Owned, Controlled or Directed

Nil.

Principal Occupation and Biographical Information

Eric Hoskins is the former Ontario Health Minister (2014-2018) responsible for one of the largest health care systems in North America. He is a former elected Member of Ontario Provincial Parliament holding Cabinet positions in Health, Economic Development and Trade, Children and Youth Services, and Immigration. Dr. Hoskins is a physician and public health specialist with more than thirty years' experience in health care and public policy.

Principal Occupation and Biographical Information

Grant Froese is a retail industry veteran with 38 years of experience at Loblaw Companies Limited, Canada's largest food retailer, with his most recent position being Chief Operating Officer. Mr. Froese also served as the Chief Executive Officer of Marquee Health Group, a late-stage applicant under the Access to Cannabis for Medical Purposes Regulation and as Chief Executive Officer of Harvest One, a global cannabis company that develops and provides innovative lifestyle and wellness products to consumers and patients in regulated markets around the world where he gained valuable industry experience and insight. Mr. Froese has extensive experience in supply chain management, digital/e-commerce businesses, marketing, brand management, and merchandising and operations management.

MARK LAWSON

Ontario, Canada

Director Since: November 5, 2020

INDEPENDENT**Current Board/Committee Membership**

Member of the Board
 Member of the Audit Committee
 Member of the Corporate Governance and Nominating Committee

Principal Occupation and Biographical Information

Mr. Mark Lawson is a private equity and investment banking executive with over 20 years of experience in Canada, the United States, and in the emerging markets. From 2008 to present Mr. Lawson has been the Managing Partner of Clermont Capital Partners, a Toronto based merchant bank and advisory firm focused on the technology and healthcare sectors. From 2004 to 2008 he was an investment banker with Morgan Stanley in New York, where he was involved in the execution of over \$6 billion worth of mergers and acquisitions, \$8 billion worth of debt offerings and \$500 million of equity financings in the healthcare, technology, and telecom sectors. Mr. Lawson is also currently a director of various publicly traded companies in Canada. Mr. Lawson received his Bachelor of Arts in Statistical Sciences from The University of Western Ontario, Canada and his MBA from The Richard Ivey School of Business, University of Western Ontario, Canada. Mr. Lawson is a member of the Economic Club of New York and is a Director of the Hugh and Ilene Lawson Charitable Organization.

Other Public Board Memberships

Claren Energy Corp. (CEN-TSXV)

2021 Attendance (Total)

Member of the Board	3 of 3	100%
Member of the Audit Committee	3 of 3	100%
Member of the Corporate Governance and Nominating Committee	N/A	N/A

Number of Common Shares Beneficially Owned, Controlled or Directed

91,426

THERESA FIRESTONE

Ontario, Canada

Director Since: N/A

INDEPENDENT**Current Board/Committee Membership**

Member of the Board

Principal Occupation and Biographical Information

Theresa Firestone is a senior healthcare executive with retail, pharmaceutical, health & wellness, government and global restructuring expertise. Ms. Firestone has extensive expertise in healthcare management and pharmaceuticals with 15 years in senior roles at Pfizer Inc., 10+ years in government (pharma and mental health) and 7 years in the retail and health and wellness sector. Ms. Firestone has international experience in executive leadership roles in Canada, Europe and Asia. At Pfizer, Ms. Firestone was Regional President of Emerging Markets Asia and had responsibility for a P&L of \$1.4B and 9 markets in Asia. Recently retired from Shoppers Drug Mart, the largest Canadian retail pharmacy chain, Ms. Firestone was responsible for leading the company's health and wellness initiatives including developing new growth strategies, the development and implementation of new health clinics and the recently launched PC Health App.

Other Public Board Memberships

None.
 Nil

2021 Attendance (Total)

Member of the Board	N/A	N/A
---------------------	-----	-----

Number of Common Shares Beneficially Owned, Controlled or Directed

Corporate Cease Trade Orders

Except as disclosed below, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company

Greg Cavers was the interim Chief Financial Officer of LottoGopher Holdings Inc. (“**LottoGopher**”), a CSE-listed company, until January 2020. Preceding his position, LottoGopher has been subject to a cease trade order on December 5, 2018 for failing to file interim financial report, management’s discussion and analysis and certification of the filings pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

4. Board Size Authorizing Resolution

Under the OBCA the number of directors of a corporation is the number set out in its articles. Where a minimum and maximum number of directors is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders is the number determined from time to time by special resolution of the shareholders, or if the special resolution empowers the directors to determine the number, by resolution of the directors. Where such a special resolution so empowers the directors to determine the number of directors within the minimum and maximum number of directors provided for in the articles, the directors may appoint one or more additional directors if, after such appointment, the total number of directors would not then be greater than one and one-third times the number of directors required to have been elected at the annual meeting of shareholders.

Shareholder Approval

At the Meeting, Shareholders will be asked to approve a special resolution empowering the directors to determine the number of directors of the Corporation within the minimum and maximum number provided for in the articles of the Corporation and to appoint additional directors in accordance with the provisions of the OBCA (the “**Board Size Authorizing Resolution**”). To be effective, the Board Size Authorizing Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitles to vote at the Meeting.

The Board has unanimously approved the amendments to the Board Size Authorizing Resolution and recommends that Shareholders vote FOR the Board Size Authorizing Resolution.

The complete text of the Board Size Authorizing Resolution which management intends to place before the Meeting is as follows:

“BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. the directors of the Corporation are hereby empowered to determine from time to time the number of directors of the Corporation, subject to the limitations established by the articles of the Corporation and the provisions of the *Business Corporations Act* (Ontario); and
2. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as may be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE BOARD SIZE AUTHORIZING RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF NOT LESS THAN TWO-THIRDS OF THE VOTES CAST AT THE MEETING BY SHAREHOLDERS IS SUFFICIENT FOR THE APPROVAL OF THE BOARD SIZE AUTHORIZING RESOLUTION.

4. Amendments to Equity Incentive Plan

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, by ordinary resolution, amendments to the Equity Incentive Plan (the “**Amended Equity Incentive Plan**”) to better align the Amended Equity Incentive Plan with the policies of the NEO, to modify certain provisions for Awards granted to residents of the United States, to increase the fixed number of Incentive Stock Options and certain other housekeeping amendments.

For a summary of the terms of the Equity Incentive Plan, see “*Compensation of Executive Officers – Elements of Compensation – Equity Incentive Plan*”.

The Equity Incentive Plan provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to employees, officers, Non-Employee Directors, or Consultants of the Corporation and its Affiliates, non-transferable Awards, which shall include any Options, SARs, Restricted Shares, RSUs, Performance Awards, Dividend Equivalents or Other Share-Based Awards, provided that the maximum number of Common Shares reserved for issuance under the Equity Incentive Plan, inclusive of existing outstanding Awards, shall not exceed 20% of the current issued and outstanding Common Shares, from time to time. The Equity Incentive Plan was last approved by Shareholders on August 13, 2020.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider and if thought appropriate, pass an ordinary resolution approving the Amended Equity Incentive Plan (the “**Plan Resolution**”). In order to be effective, an ordinary resolution requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board has unanimously approved the Amended Equity Incentive Plan and recommends that Shareholders vote FOR the resolution regarding the Amended Equity Incentive Plan.

The complete text of the Plan Resolution which management intends to place before the Meeting is as follows:

“BE IT RESOLVED THAT, AS AN ORDINARY RESOLUTION:

1. the Amended Equity Incentive Plan of the Corporation, substantially in the form attached as Schedule “D” to the Circular, is hereby approved;
2. the Options and Awards (as defined in the Amended Equity Incentive Plan) to be issued under the Amended Equity Incentive Plan, and all unallocated Options and Awards under the Amended Equity Incentive Plan, are hereby approved;
3. the Board is hereby authorized to make such amendments to the Amended Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the Amended Equity Incentive Plan, the approval of the Shareholders; and
4. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as may be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE PLAN RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING BY SHAREHOLDERS IS SUFFICIENT FOR THE APPROVAL OF THE PLAN RESOLUTION.

4. Adoption of Shareholder Rights Plan

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, approve, by ordinary resolution, the adoption of the shareholder rights plan agreement (the “**Rights Plan**”), the full text of which is attached as Schedule “E” to this Circular.

The objectives of the Rights Plan are to ensure, to the extent possible, that all Shareholders and the Board have adequate time to consider and evaluate any unsolicited take-over bid for the Corporation, provide the Board with adequate time to evaluate any such take-over bid and explore and develop value-enhancing alternatives to any such take-over bid, encourage the fair treatment of the shareholders in connection with any such take-over bid, and generally assist the Board in enhancing Shareholder value.

The Rights Plan is being proposed by the Board as a governance best practice in the interest of the Corporation and all of its Shareholders, given the widely-held ownership of the Common Shares. It is not being proposed in response to any proposal to acquire control of the Corporation, nor is the Board currently aware of or anticipates any pending or threatened take-over bid for the Corporation.

If the Rights Plan is approved by Shareholders at the Meeting, the Corporation will enter into the Rights Plan with Odyssey Trust Company, as rights agent, and the Rights Plan will then become effective.

In proposing the adoption of the Rights Plan, the Board considered the existing legislative framework governing take-over bids in Canada. On May 9, 2016, significant amendments to the legal regime governing the conduct of take-over bids in Canada came into force. The amendments, among other things, lengthened the minimum deposit period of a non-exempt take-over bid to 105 days (from the previous 35 days), require that all such non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding shares of the class that are subject to the bid (exclusive of shares beneficially owned, or over which control or direction is exercised, by the bidder or its joint actors), and require a ten (10) day extension of the deposit period of the bid after the minimum tender requirement is met. Under the amendments, the target company has the ability to permit the shortening of the minimum deposit period to not less than 35 days, in which case the shortened deposit period will then apply to all concurrent take-over bids. In addition, if the target company announces that it intends to effect an alternative transaction that could result in the acquisition of the target company or its business, the minimum deposit period for any concurrent take-over bid will be automatically reduced to 35 days.

As the legislative amendments do not apply to exempt take-over bids, there continues to be a role for shareholder rights plans in protecting issuers and preventing the unequal treatment of shareholders. Some areas of concern not addressed by the legislative amendments include:

- protecting against so-called “creeping bids” that are not required to be made to all shareholders. Creeping bids could involve the accumulation of more than 20% of the Common Shares through purchases exempt from the Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all

shareholders, (ii) acquiring control through the slow accumulation of the Common Shares over a stock exchange that could effectively block a take-over bid made to all shareholders, (iii) acquiring control through the slow accumulation of the Common Shares over a stock exchange and without paying a control premium, or (iv) acquiring control through the purchase of the Common Shares in transactions outside of Canada not subject to Canadian take-over bid rules; and

- the use of so-called “hard” lock-up agreements by bidders, whereby existing shareholders commit to tender their shares to a bidder’s take-over bid, that are either irrevocable or revocable but subject to preclusive termination conditions. Such agreements could have the effect of deterring other potential bidders bringing forward competing bids particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder’s bid to achieve the 50% minimum tender requirement imposed by the legislative amendments.

By applying to all acquisitions of 20% or more of the Corporation’s outstanding voting shares, except in limited circumstances including Permitted Bids (as defined in Schedule “E” of this Circular), the Rights Plan is designed to ensure that all Shareholders receive equal treatment. In addition, there may be circumstances where bidders request lock-up agreements that are not in the best interests of the Corporation or its shareholders and the Rights Plan encourages bidders to structure lock-up agreements so as to provide the locked-up shareholders with reasonable flexibility to terminate such agreements in order to deposit their shares to a higher value bid or support another transaction offering greater value.

The Rights Plan is therefore designed to encourage a potential acquiror who intends to make a take-over bid to proceed either by way of a Permitted Bid, which requires a take-over bid to meet certain minimum standards designed to promote the fair and equal treatment of all Shareholders, or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board, the Rights (as defined in the Rights Plan) to be issued to shareholders under the Rights Plan will entitle the holders thereof, other than the acquiror and certain related parties, to purchase additional Common Shares at a significant discount to market, thus exposing the person acquiring 20% or more of the Common Shares to substantial dilution of its holdings.

Summary of Rights Plan

General

To implement the Rights Plan, the Board will authorize the issuance of one right (a “**Plan Right**”) in respect of each Common Share when issued. Each Plan Right entitles the registered holder to purchase from the Corporation one Common Share for the Exercise Price (as defined in the Rights Plan), subject to adjustment as set out in the Rights Plan. In the event of an occurrence of a Flip-in Event (as defined below), each Plan Right entitles the registered holder to purchase from the Corporation that number of Common Shares that have an aggregate Market Price (as defined in the Rights Plan) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined in the Rights Plan), in accordance with the terms of the Rights Plan, for an amount in cash equal to the Exercise Price, subject to certain adjustments. The Plan Rights are not exercisable prior to the Separation Time (as described below). The issuance of the Plan Rights will not affect reported earnings per Common Share until the Plan Rights separate from the underlying Common Shares and become exercisable. The issuance of Plan Rights will not change the manner in which Shareholders currently trade their Common Shares. The Rights Plan must be reconfirmed by a resolution passed by a majority of the votes cast by all Shareholders at every third annual meeting of Shareholders. If the Rights Plan is not so reconfirmed, the Rights Plan and all outstanding Plan Rights shall terminate and be void and of no further force and effect, provided that such termination shall not occur if a Flip-in Event that has not been waived pursuant to the Rights Plan has occurred prior to such annual meeting.

Flip-In Event

A “Flip-in Event” means a transaction as a result of which a Person becomes an Acquiring Person (as described below). On the occurrence of a Flip-in Event, any Plan Rights Beneficially Owned on or after a date determined in accordance with the Rights Plan by an Acquiring Person (including any affiliate or associate thereof or any Person acting jointly or in concert with an Acquiring Person or any affiliate or associate of an Acquiring Person) and certain transferees of Plan Rights will become void and any such holder will not have any right to exercise Plan Rights under the Rights Plan and will not have any other rights with respect to the Plan Rights.

Acquiring Person

An “Acquiring Person” is, generally, a Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation. Under the Rights Plan there are various exceptions to this rule, including that an Acquiring Person: (i) shall not include: (A) the Corporation or a subsidiary of the Corporation, and (B) an underwriter or selling group member during the course of a public distribution, and (ii) may not, in certain circumstances, include a Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of any one of certain events or combinations of events that include: (A) a Common Share reduction through an acquisition or redemption of Common Shares by the Corporation, (B) an acquisition of Common Shares made pursuant to a Permitted Bid (as described below) or a Competing Permitted Bid, (C) an Exempt Acquisition, (D) a Pro Rata Acquisition, or (E) a Convertible Security Acquisition, or a Competing Permitted Bid (in each case as defined in the Rights Plan).

Beneficial Ownership

A Person is deemed to be the “Beneficial Owner” of, and to “Beneficially Own”, Common Shares in circumstances where that Person or any of its affiliates or associates: (i) is the owner of the Common Shares at law or in equity, or (ii) in certain circumstances, has the right to become the owner at law or in equity where such right is exercisable within 60 days and includes any Common Shares that are Beneficially Owned by any other Person with whom such Person is acting jointly or in concert. Under the Rights Plan there are various exceptions to this rule, including where a Person:

- (a) has agreed to deposit or tender Common Shares to a take-over bid pursuant to a permitted lock-up agreement in accordance with the terms of the Rights Plan; or
- (b) is an investment fund manager or a trust company acting as trustee or administrator who holds such Common Shares in the ordinary course of such duties for the account of another Person or other account(s), an administrator or trustee of one or more registered pension funds or plans, a crown agent or agency, a manager or trustee of a certain mutual funds or a Person established by statute to manage investment funds for employee benefit plans, pension plans, insurance plans or various public bodies, provided that such Person is not making and has not announced an intention to make a take-over bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Common Shares (as defined in the Rights Plan) pursuant to a distribution by the Corporation, by means of a Permitted Bid, or by means of ordinary market transactions executed through the facilities of a stock exchange or organized over-the-counter market.

Lock-Up Agreements

A bidder, any of its affiliates or associates or any other Person acting jointly or in concert with the bidder may enter into lock-up agreements (each, a “**Lock-up Agreement**”) with the Shareholders (each, a “**Locked-up Person**”) whereby such Locked-up Persons agree to tender their Common Shares to the take-

over bid or otherwise commit to support a control transaction (the “**Subject Bid**”) without a Flip-in Event occurring. Any such agreement must permit the Locked-up Person to withdraw their Common Shares from the lock-up to tender to another take-over bid or support another transaction that (i) will provide greater value to the Locked-up Person than the Subject Bid or (ii) contains an offering price per Common Share that exceeds by as much or more than a specified amount (a “**Specified Amount**”) the value offered under the Subject Bid, and does not provide for a Specified Amount that is greater than 7% of the value offered under the Subject Bid.

Under a Lock-up Agreement no “break-up” fees, “top-up” fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of: (i) 2.5% of the value payable to the Locked-up Person under the Subject Bid; and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Subject Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender their Common Shares to the Subject Bid or withdraws such Common Shares previously tendered thereto in order to tender such Common Shares to another take-over bid or participate in another transaction. Any Lock-up Agreement is made available to the public.

Permitted Bid

A Flip-in Event will not occur if a take-over bid is structured as a Permitted Bid. A Permitted Bid is a take-over bid made by means of a take-over circular, which also complies with the following provisions:

- (a) the take-over bid is made to all registered Shareholders of the Corporation, wherever resident, other than the Person making the bid;
- (b) the take-over bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:
 - i. no Common Shares will be taken-up or paid for pursuant to the take-over bid: (A) before the close of business on a date that is not less than 105 days following the date of the take-over bid or such shorter minimum initial deposit period that a non-exempt take-over bid must remain open for deposits, in the applicable circumstances at such time, pursuant to NI 62-104; and (B) then only if, at the close of business on such date, the Common Shares deposited or tendered pursuant to the take-over bid and not withdrawn constitute more than 50% of the Common Shares outstanding which are held by “independent Shareholders” (as defined in the Rights Plan);
 - ii. unless the take-over bid is withdrawn, Common Shares may be deposited pursuant to the take-over bid at any time before the close of business on the date of the first take-up of or payment for Common Shares;
 - iii. any Common Shares deposited pursuant to the take-over bid may be withdrawn until taken-up and paid for; and
 - iv. if the requirement in clause (b) (i) (B) is satisfied, the Person making the bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Common Shares for not less than ten days from the date of such public announcement.

Trading of Rights

Until the Separation Time (as described below), the Plan Rights will be evidenced by the associated issued and outstanding Common Shares of the Corporation. The Rights Plan provides that, until the Separation Time, the Plan Rights will be transferred with, and only with, the associated Common Shares. Until the Separation Time, or earlier termination or expiration of the Plan Rights, each new Common Share certificate issued after the applicable record time, if any, will display a legend incorporating the terms of the Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Plan Rights (“**Plan Rights Certificates**”) will be mailed to registered Shareholders, other than an Acquiring Person and in respect of any Plan Rights Beneficially Owned by such Acquiring Person, as of the close of business at the Separation Time, and thereafter the Plan Rights Certificates alone will evidence the Plan Rights.

Separation Time

The Plan Rights will separate and trade apart from the Common Shares after the Separation Time until the Expiration Time. Subject to the right of the Board to defer it, the “Separation Time” means the close of business on the eighth business day after the earliest of: (i) the first date of a public announcement that a Person has become an Acquiring Person; (ii) the commencement or first public announcement of the intent of any Person to commence a take-over bid other than a Permitted Bid; and (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

Waiver

Without the consent of Shareholders or, if applicable, holders of Plan Rights, the Board may waive the application of the Rights Plan to a Flip-in Event that would occur by reason of a take-over bid made by means of a take-over bid circular to all Shareholders of the Corporation provided that, if the Board waive the application of the Rights Plan to such Flip-in Event, they will be deemed to have waived the application of the Rights Plan to any other Flip-in Events occurring by reason of a take-over bid made by means of a take-over bid circular to all Shareholders of the Corporation which is made prior to the expiry of any take-over bid in respect of which a waiver has been granted by the Board. The Board may also, subject to certain conditions, waive the application of the Rights Plan to a Flip-in Event triggered by inadvertence.

Redemption

The Board with the approval of a majority vote of the votes cast by Shareholders (or the holders of Plan Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Plan Rights at \$0.001 per Plan Right, subject to adjustment in accordance with the Rights Plan, provided that no payment will be made to holders entitled to less than \$10.00. Plan Rights will become void and be of no further effect on the date that any Person who has made a Permitted Bid, Competing Permitted Bid or Exempt Acquisition takes up and pays for the Common Shares pursuant to such transaction.

Power to Amend

The Corporation may make amendments to the Rights Plan to correct clerical or typographical errors without the approval of the holders of Plan Rights. The Corporation may make amendments to the Rights Plan to preserve the validity of the Rights Plan in the event of any change in applicable legislation, rules or regulations thereunder with the approval of the Shareholders of the Corporation or, in certain circumstances, the holders of Plan Rights, in accordance with the Rights Plan. In other circumstances, amendments to the Rights Plan may require the prior approval of the Shareholders of the Corporation or, the holders of Plan Rights.

Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Common Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Shareholder Approval

As a result of the foregoing considerations, the Board has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan substantially in the form and on the terms of the Rights Plan, subject to approval of the Rights Plan by Shareholders at the Meeting. In recommending the approval of the Rights Plan, it is not the intention of the Board to preclude a bid for control of the Corporation. The Rights Plan provides a mechanism whereby Shareholders may tender their shares to a take-over bid as long as it meets the criteria applicable to a Permitted Bid or Competing Permitted Bid, as the case may be, under the Rights Plan. Furthermore, even in the context of a take-over bid that would not meet such criteria, but is made by way of a take-over bid circular to all of the Shareholders, the Board would still have a duty to consider such a bid and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such duty, the Board of Directors must act with honesty and loyalty and in the interest of the Corporation.

The Rights Plan will not preclude any Shareholder from using the proxy mechanism of the OBCA, the Corporation's governing statute, to promote a change in the Corporation's management or in the Board, and it will have no effect on the rights of holders of the Common Shares to requisition a meeting of Shareholders in accordance with the provisions of applicable legislation.

The Rights Plan is not expected to interfere with the Corporation's day-to-day operations. The initial issuance of Rights under the Rights Plan and the issuance of additional Rights in the future will not in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements. In addition, the Rights Plan is initially not dilutive. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

At the Meeting, Shareholders will be asked to consider and if thought appropriate, pass an ordinary resolution approving the Rights Plan (the "**Rights Plan Resolution**"). In order to be effective, the Rights Plan Resolution requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board has unanimously approved the Rights Plan and recommends that Shareholders vote FOR the resolution regarding the Equity Incentive Plan.

The complete text of the Rights Plan Resolution which management intends to place before the Meeting for approval of the Rights Plan is as follows:

"BE IT RESOLVED THAT, AS AN ORDINARY RESOLUTION:

1. the shareholder rights plan agreement (the "**Rights Plan**") between the Corporation and Odyssey Trust Company, substantially in the form attached as Schedule "E" to the Circular, is hereby approved, subject to such changes thereto as may be required by regulatory authorities;

2. notwithstanding the approval of this special resolution by the Shareholders, the Board may, without any further notice or approval of the Shareholders, decide not to proceed with the resolution; and
3. any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as may be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RIGHTS PLAN RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING BY SHAREHOLDERS IS SUFFICIENT FOR THE APPROVAL OF THE RIGHTS PLAN RESOLUTION.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last completed financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation’s profile on SEDAR at www.sedar.com. Financial information is provided in the Corporation’s audited financial statements and Management’s Discussion and Analysis (the “**MD&A**”) for the year ended March 31, 2021. In addition, copies of the Corporation’s annual financial statements and the MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the Board.

Dated: July 19, 2021.

“Eric So”

Eric So
Director and President

**SCHEDULE “A”
STATEMENT OF GOVERNANCE PRACTICES**

**Governance Disclosure Requirement Under the
Corporate Governance National Instrument 58-101
("NI 58-101")**

	Comments
Board of Directors	
1. Board of Directors – Disclose how the board of directors (the “ Board ”) of Cybin Inc. (the “ Corporation ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The Board currently consists of a total of five directors of which Messrs. Eric Hoskins, Grant Froese and Mark Lawson are considered “independent” as such term is defined in NI 58-101. Messrs. Eric So and Paul Glavine are not considered independent as they are executive officers of the Corporation.
2. Directorships – If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the Circular under the heading “Particulars of Matters to be Acted Upon – Election of Directors”.
3. Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of Corporation’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, as part of their regularly scheduled meetings, the Board and Audit Committee typically hold in-camera sessions without management present in order to facilitate open and candid discussion.
4. Disclose whether or not the Chairman of the Board is an independent director. If the Board has a Chairman who is an independent director, disclose the identity of the independent Chairman, and describe his or her role and responsibilities.	Eric So is the Chairman of the Board and is not considered “independent”, as such term is defined in NI 58-101, as he is an executive officer of the Corporation.
5. Disclose the attendance record of each director for all Board meetings held since the beginning of the Corporation’s most recently completed financial year.	Please refer to the Circular under the heading “Particulars of Matters to be Acted Upon – Election of Directors”.
6. Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The directors of the Board have adopted a formal written mandate which provides that the directors of the Board are responsible for the overall stewardship of the Corporation, establishing the overall policies and standards of the Corporation and approving its strategic plans. A copy of the Directors’ Mandate can be found as Schedule “C” to the Circular.
Position Descriptions	
7. Disclose whether or not the Board has developed written position descriptions for the Chairman and the Chairman of each Board committee. If the Board has not developed written position descriptions for the Chairman of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	The directors of the Board have adopted a formal written mandate for the Chairman of the Board.
8. Describe whether or not the Board and CEO have developed a written position description for the CEO. If the Board and the CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Board has adopted a formal mandate for the CEO which outlines the roles and responsibilities of the CEO, including management of the strategic and operational agenda of the Corporation and for execution of the directives and policies of the Board.

Orientation and Continuing Education

9. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

Each director ultimately assumes responsibility for keeping himself informed about the Corporation's business and relevant developments outside the Corporation that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Corporation's business and developments in areas where they are not commonly exposed.

Ethical Business Conduct

10. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code, (ii) describe how the Board monitors compliance with its code, or if the Board, and (iii) provide a cross-reference to any material change report filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
11. Describe the steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreement in respect of which a director or executive officer has a material interest, and any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board has adopted a formal Code of Business Conduct (the "Code") which highlights key issues and identifies policies and resources to help employees, officers and directors of the corporation reach appropriate and ethical decisions. The Corporation's compliance officer is responsible for investigating all reported complaints under the Code. A copy of the Code can be obtained by contacting the Corporation.

The Board is responsible for promoting an ethical business culture. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

Nomination of Directors

12. Disclose the process by which the Board identifies new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The Governance and Nominating Committee is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Governance and Nominating Committee does review the experience and performance of nominees for election to the Board. Members of the Governance and Nominating Committee are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Governance and Nominating Committee also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.

Compensation

- | | |
|--|---|
| 13. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation. | The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the "Compensation Discussion and Analysis" section of the accompanying Circular. |
|--|---|

Other Board Committees

- | | |
|---|---|
| 14. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function. | The Board does not have any standing committees other than the Governance and Nominating Committee, the Compensation Committee and the Audit Committee. |
|---|---|

Assessments

- | | |
|--|---|
| 15. Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Trustees are performing effectively. | The entire Board will evaluate the effectiveness of the Board, its committees and individual directors on an annual basis. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its charter, the performance of the committee as a whole and the performance of the committee Chair. |
|--|---|

Director Term Limits and Other Mechanisms of Board Renewal

- | | |
|--|--|
| 16. Disclose whether the Corporation has adopted term limits for the directors on its Board or other mechanisms for Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the Corporation has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so. | The Board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Corporation has achieved a satisfactory mix and turnover in directors over its short history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits. |
|--|--|

Policies Regarding the Representation of Women on the Board

- | | |
|---|---|
| 17. Disclose whether the Corporation has adopted a written policy relating to the identification and nomination of women directors. If the Corporation has not adopted such a policy, disclose why it has not done so. If the Corporation has adopted a policy, disclose a short summary of its objectives and key provisions, the measures taken to ensure that the policy has been effectively implemented, annual and cumulative progress by the issuer in achieving the objectives of the policy, and whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy. | <p>The Corporation adopted a written diversity policy (the "Diversity Policy") in 2021 to formalize its approach to diversity. The Diversity Policy sets out the many characteristics of diversity, including gender, age, visible minorities, Indigenous peoples, persons with disabilities, sexual orientation and other personal characteristics.</p> <p>The Corporation has not adopted a specific target regarding the representation of women on the Board or in executive officer positions however, it is an objective of the Diversity Policy that diversity be considered in determining the optimal composition of the Board. The Diversity Policy sets out guidelines for the Governance and Nominating Committee to find the best qualified candidates for Board positions recognizing that the Board's background should represent a variety of backgrounds, experiences and skills.</p> |
|---|---|

Consideration of the Representation of Women in the Director Identification and Selection Process

- | | |
|---|---|
| 18. Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the Corporation does not consider the representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Corporation's reasons for not doing so. | It is an objective of the Diversity Policy that diversity be considered in connection with the identification and nomination of female Board members. Gender diversity is an important factor that is taken into account in identifying and selecting Board members. The Board believes that diversity is important to ensure that directors provide a wide range of perspectives, experience and expertise required to achieve effective stewardship of the Corporation. |
|---|---|

The Diversity Policy does not include a target number or percentage of women on the Board. The Governance and Nominating Committee does not believe that targets are appropriate since gender diversity is only one of several characteristics considered during the selection process for Board nominees. Instead, the Governance and Nominating Committee believes that a method for reviewing Board nominees on a variety of factors, including diversity, is more appropriate.

Consideration Given to the Representation of Women in Executive Officer Appointments

19. Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the Corporation does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Corporation's reasons for not doing so.

It is an objective of the Diversity Policy that diversity be considered in connection with the identification and nomination of female candidates for executive positions. Gender diversity is an important factor that is taken into account in considering the hiring, promotion and appointment of executive officers. The Board believes that diversity is important to ensure that executives provide a wide range of perspectives, experience and expertise required to achieve effective stewardship of the Corporation.

The Diversity Policy does not include a target number or percentage of women in executive management positions. The Governance and Nominating Committee does not believe that targets are appropriate since gender diversity is only one of several characteristics considered during the selection process for executive officers. Instead, the Governance and Nominating Committee believes that a method for reviewing executive officers on a variety of factors, including diversity, is more appropriate.

20. Disclose whether the Corporation has adopted a target regarding women on the Board or in executive officer positions. If the Corporation has not adopted a target, disclose why it has not done so. If the Corporation has adopted a target, disclose the target, and the annual and cumulative progress of the Corporation in achieving the target.

The Corporation has not adopted a target regarding women on the Board or in executive officer positions.

Number of Women on the Board and in Executive Officer Positions

21. Disclose the number and proportion (in percentage terms) of (i) directors on the Corporation's Board, and (ii) executive officers of the Corporation, who are women.

Currently, none (0%) of the five directors of the Board are women; however, following the Meeting it is expected that one out of the six directors of the Board will be women.

Currently, one (10%) of ten executive officers of the Corporation is a women.

**SCHEDULE “B”
AUDIT COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every NEO Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- (a) improve the quality of the Corporation’s financial reporting;
- (b) assist the board of directors to properly and fully discharge its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor’s independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2;

“**immediate family member**” means an individual’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the individual or the individual’s immediate family member) who shares the individual’s home;

“**independent**” means independent only as determined by both the Instrument and the NEO Exchange Listing Manual;

“**Instrument**” means National Instrument 52-110 – *Audit Committees*;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“**non-audit services**” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and

-
- (b) the compensation of the external auditor.
1. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - (a) reviewing the audit plan with management and the external auditor;
 - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - (g) reviewing interim unaudited financial statements before release to the public;
 - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
 - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - (j) reviewing the terms of reference of the internal auditor, if any;
 - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
 2. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
 3. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.

4. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
5. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
6. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
7. The Committee shall, as applicable, establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
8. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
9. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(2) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its Members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(2).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. Every Member shall be independent.
4. Every Member shall be financially literate.
5. The board of directors of the Corporation shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

PART 4

4.1 Authority

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the board of directors.

PART 5

5.1 Required Disclosure

The Corporation must include in its Annual Information Form the disclosure required by Form 52-110F1.

5.2 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular a cross-reference to the sections in the Corporation's Annual Information Form that contain the information required by section 5.1.

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

**SCHEDULE “C”
DIRECTORS’ MANDATE**

Cybin Inc.

**DIRECTORS’
MANDATE**

November 2020

C - 1

DIRECTORS’ MANDATE

Directors’ Responsibilities

The board of directors of the Corporation (the “**Directors**”) are responsible for the stewardship of the Corporation. To discharge this obligation, the Directors, directly and through the applicable committees of the Directors, should assume responsibility in the following areas:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Adopt, review and approve, if appropriate, management’s strategic plans on an annual basis.
- Review and approve the Corporation’s financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the Corporation’s businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer and approve the appointment of other senior executives, and ensure the adoption of a management succession plan.
- Approve a position description for the Chief Executive Officer including limits to management’s responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Corporate Governance and Nominating Committee.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers.
- Satisfy itself that the Chief Executive Officer and other executive officers create, maintain and foster a culture of integrity throughout the Corporation.
- Engage in succession planning including, identifying, training and monitoring future senior management.

Integrity

- Ensure the integrity of the Corporation’s internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation’s own governing documents.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

Material Transactions

- Review and approve material transactions not in the ordinary course of business, including without limitation, stock issuances, acquisitions, loans and leases.

Monitoring Directors' Effectiveness

- Assess their own effectiveness in fulfilling the above and Directors' responsibilities, including monitoring the effectiveness of individual Directors.

Disclosure Policy and Code of Business Conduct

- Adopt, monitor and periodically review the effectiveness of a corporate disclosure policy and a code of business conduct.
- Make determinations with respect to waiving compliance with the code of business conduct by Directors and executive officers.
- The Directors may delegate responsibility for making determinations with respect to waiving compliance with the code of business conduct to a committee of the Directors.

Feedback from Shareholders

- Develop measures for the receipt, by the Directors, of feedback from shareholders.

Expectations of Directors

- Directors are expected to attend all meetings.
- The specific dates of Board meetings to approve interim and annual financial results shall be scheduled at the commencement of each fiscal year.
- Additional meetings of the Directors shall be called on an as-required basis.
- Directors are expected to review materials to be presented at the meetings of the Directors prior to such meetings. Such materials are to be circulated with sufficient advanced notice to allow the Directors adequate review time. However, for unscheduled meetings, shorter notice may be necessary.

Corporate Governance

- Develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- The Directors may delegate this responsibility to a committee of the Directors, which committee shall have a majority of "Independent" directors (as such term is defined in National Policy 58-201 – *Corporate Governance Guidelines*) and the remaining members of which, if any, shall be "non-management" directors.

Other

Perform such other functions as prescribed by law or assigned to the Directors in the Corporation's constituting documents, policies and guideline.

SCHEDULE “D”
AMENDED EQUITY INCENTIVE PLAN

D - 1

EQUITY INCENTIVE PLAN

CYBIN INC.

~~(FORMERLY CLARMIN EXPLORATIONS INC.)~~

SHARE AND INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: ~~NOVEMBER 5, 2020~~ JULY 15, 2020
APPROVED BY THE COMPANY'S SHAREHOLDERS: ~~AUGUST 13, 2020~~ [●], 2020

Section 1. Purpose

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and Non-Employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various share and cash-based arrangements and provide them with opportunities for share ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

Section 2. Definitions

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) "Affiliate" shall mean any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company within the meaning of the *Business Corporations Act* (Ontario).
- (b) "Award" shall mean any Option, Stock Appreciation Right, Restricted Share, Restricted Share Unit, Performance Award, Dividend Equivalent or Other Share-Based Award granted under the Plan.
- (c) "Award Agreement" shall mean any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium) executed in accordance with the requirements of Section 10(b).
- (d) "Board" shall mean the Board of Directors of the Company.
- (e) "Cashless Exercise" has the meaning given to that terms under paragraph 6(a)(v)(A).
- (f) "Cashless Exercise Notice" means the notice respecting the exercise of an Option on a cashless basis, in the form, set out as Schedule "A" hereto, duly executed by the Participant.
- (g) "Code" shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.
- (h) "Committee" shall mean the Compensation Committee of the Board or such other committee designated by the Board to administer the Plan.
- (i) "Company" shall mean Cybin Inc. (formerly Clarmin Explorations Inc.), an Ontario corporation, and any successor corporation.
- (j) "Consultant" means, in relation to the Company, an individual or a Consultant Company, other than an Employee, Director or Officer of the Company, that:
 - (i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (k) “*Consultant Company*” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (l) “*Director*” shall mean a member of the Board.
- (m) “*Dividend Equivalent*” shall mean any right granted under Section 6(e) of the Plan.
- (n) “*Effective Date*” shall mean the date the Plan is adopted by the Board, as set forth in Section 12.
- (o) “*Eligible Person*” shall mean any employee, officer, Non-Employee Director, or Consultant providing services to the Company or any Affiliate, or any such person to whom an offer of employment or engagement with the Company or any Affiliate is extended.
- (p) “*Fair Market Value*” with respect to one Share as of any date shall mean:
 - (a) if the Shares are listed on the NEO Exchange or any established stock exchange, the price of one Share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of Shares shall have occurred on such date, on the next preceding date on which there was a sale of Shares. Notwithstanding the foregoing, in the event that the Shares are listed on the NEO Exchange, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall ~~not be lower than determined by the greater of Committee as being either:~~ (i) the closing of the market price of the Shares on the NEO Exchange on (x) the prior trading day, and (y) to the date of the grant of the Options; provided, however, that such market price may be reduced by any applicable discount permitted or (ii) the five-day volume weighted average trading price, calculated by dividing the total value by the policies total volume of the NEO Shares traded for the relevant period;
 - (b) if the Shares are not so listed on the NEO Exchange or any established stock exchange, the average of the closing “bid” and “ask” prices quoted by the OTC Bulletin Board, the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “ask” prices on such date, on the next preceding date for which there are such quotes for a Share; or
 - (c) if the Shares are not publicly traded as of such date, the per share value of one Share, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.
- (q) “*Incentive Stock Option*” shall mean an option to purchase Shares granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.
- (r) “*NEO Exchange*” means the Neo Exchange Inc.
- (s) “*Non-Employee Director*” shall mean a Director who is not also an employee of the Company or any Affiliate.
- (t) “*Non-Qualified Stock Option*” shall mean an option to purchase Shares granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.
- (u) “*Option*” shall mean an Incentive Stock Option or a Non-Qualified Stock Option to purchase Shares.
- (v) “*Other Share-Based Award*” shall mean any right granted under Section 6(f) of the Plan.

- (w) “Participant” shall mean an Eligible Person designated to be granted an Award under the Plan.
- (x) “Performance Award” shall mean any right granted under Section 6(d) of the Plan.
- (y) “Person” shall mean any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.
- (z) “Plan” shall mean this Equity Incentive Plan, as amended from time to time.
- ~~(aa) “Related Person” has the meaning ascribed thereto in section 2.22 of National Instrument 45-106 Prospectus Exemptions, which includes, without limitation, any director, an executive officer of the Company or of its any Affiliates.~~
- ~~(aa)~~ ~~(bb)~~ “Restricted Share” shall mean any Share granted under Section 6(c) of the Plan.
- ~~(bb)~~ ~~(ee)~~ “Restricted Share Unit” shall mean any unit granted under Section 6(c) of the Plan evidencing the right to receive a Share (or a cash payment equal to the Fair Market Value of a Share) at some future date, provided that in the case of Participants who are liable to taxation under the Tax Act in respect of amounts payable under this Plan, that such date shall not be later than December 31 of the third calendar year following the year services were performed in respect of the corresponding Restricted Share Unit awarded.
- ~~(cc)~~ ~~(dd)~~ “Section 409A” shall mean Section 409A of the Code, or any successor provision, and applicable Treasury Regulations and other applicable guidance thereunder.
- ~~(ee)~~ “Securities Act” shall mean the U.S. Securities Act of 1933, as amended.
- ~~(dd)~~ ~~(ff)~~ “Share” or “Shares” shall mean common shares in the capital of the Company (or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(c) of the Plan).
- ~~(ee)~~ ~~(gg)~~ “Specified Employee” shall mean a specified employee as defined in Section 409A(a)(2)(B) of the Code or applicable proposed or final regulations under Section 409A, determined in accordance with procedures established by the Company and applied uniformly with respect to all plans maintained by the Company that are subject to Section 409A.
- ~~(ff)~~ ~~(hh)~~ “Stock Appreciation Right” shall mean any right granted under Section 6(b) of the Plan.
- ~~(gg)~~ ~~(ii)~~ “Tax Act” means the *Income Tax Act* (Canada).
- ~~(hh)~~ ~~(jj)~~ “U.S. Award Holder” shall mean any holder of an Award who is a “U.S. person” (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or who is holding or exercising Awards in the United States.
- ~~(ii)~~ “U.S. Participant” shall mean a Participant who is a U.S. citizen or a U.S. resident, in each case as defined in Section 7701(a)(30)(A) and Section 7701(b)(1)(A) of the Code and any other Participant whose compensatory Awards under the Plan would be subject to Section 409A of the Code.
- ~~(jj)~~ “U.S. Securities Act” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

Section 3. Administration

- (a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or the method by which payments or other rights are to be calculated in connection with) each

Award; (iv) determine the terms and conditions of any Award or Award Agreement, including any terms relating to the forfeiture of any Award and the forfeiture, recapture or disgorgement of any cash, Shares or other amounts payable with respect to any Award; (v) amend the terms and conditions of any Award or Award Agreement, subject to the limitations under Section 7; (vi) accelerate the exercisability of any Award or the lapse of any restrictions relating to any Award, subject to the limitations in Section 7, (vii) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Shares, other securities, other Awards or other property (excluding promissory notes), or canceled, forfeited or suspended, subject to the limitations in Section 7; (viii) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee, subject to the requirements of Section 409A; (ix) interpret and administer the Plan and any instrument or agreement, including an Award Agreement, relating to the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and (xii) adopt such modifications, rules, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of the jurisdictions in which the Company or an Affiliate may operate, including, without limitation, establishing any special rules for Affiliates, Eligible Persons or Participants located in any particular country, in order to meet the objectives of the Plan and to ensure the viability of the intended benefits of Awards granted to Participants located in such non-United States jurisdictions. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.

- (b) Delegation. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion, the authority to grant Awards; *provided, however*, that the Committee shall not delegate such authority in such a manner as would cause the Plan not to comply with applicable exchange rules or applicable corporate law.
- (c) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, ~~(i)~~ the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of all applicable securities rules and ~~(ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of any applicable securities exchange where the Shares are then listed) may grant Awards to Directors who are not also employees of the Company or an Affiliate.~~
- (d) Indemnification. To the full extent permitted by law, (i) no member of the Board, the Committee or any person to whom the Committee delegates authority under the Plan shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award made under the Plan, and (ii) the members of the Board, the Committee and each person to whom the Committee delegates authority under the Plan shall be entitled to indemnification by the Company with regard to such actions and determinations. The provisions of this paragraph shall be in addition to such other rights of indemnification as a member of the Board, the Committee or any other person may have by virtue of such person's position with the Company.

Section 4. Shares Available for Awards

- (a) Shares Available. Subject to adjustment as provided in Section 4(c) of the Plan, the aggregate number of Shares that may be issued under all Awards under the Plan shall be the number of Shares as determined by the Board from time to time. Notwithstanding the foregoing, the aggregate number of Shares that may be issued pursuant to awards of Options, including Incentive

Stock Options, shall not exceed 20% of the issued and outstanding Shares at the time of the grant of such Options and the aggregate number of Shares that may be issued pursuant to awards of Incentive Stock Options shall not exceed 13,127,854~~22,266,002~~. The aggregate number of Shares that may be issued under all Awards under the Plan shall be reduced by Shares subject to Awards issued under the Plan in accordance with the Share counting rules described in Section 4(b) below.

- (b) Counting Shares. For purposes of this Section 4, if an Award entitles the holder thereof to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan.
- (i) Shares Added Back to Reserve. If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Company (including any Shares withheld by the Company or Shares tendered to satisfy any tax withholding obligation on Awards or Shares covered by an Award that are settled in cash), or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan.
- (ii) Cash-Only Awards. Awards that do not entitle the holder thereof to receive or purchase Shares shall not be counted against the aggregate number of Shares available for Awards under the Plan.
- (iii) Substitute Awards Relating to Acquired Entities. Shares issued under Awards granted in substitution for awards previously granted by an entity that is acquired by or merged with the Company or an Affiliate shall not be counted against the aggregate number of Shares available for Awards under the Plan.
- (c) Adjustments. In the event that any dividend (other than a regular cash dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company or other similar corporate transaction or event affects the Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or other property) subject to outstanding Awards, and (iii) the purchase price or exercise price with respect to any Award ~~and (iv) the limitations contained in Section 4(d) below~~; *provided, however*, that the number of Shares covered by any Award or to which such Award relates shall always be a whole number. Such adjustment shall be made by the Committee or the Board, whose determination in that respect shall be final, binding and conclusive.

~~(d) — Additional Award Limitations. The aggregate number of Shares issuable to Related Persons pursuant to Awards granted and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Shares then outstanding. The aggregate number of Shares issued to Related Persons pursuant to Awards and all other security based compensation arrangements, within a one-year period, shall not exceed 10% of the total number of Shares then outstanding. The total number of Shares which may be issued or issuable to any one Related Person and the associates of the Related Person under the Plan and all other security based compensation arrangements within any one-year period shall not exceed 5% of the Shares then outstanding. So long as the Company is listed on the NEO, the aggregate number of Shares issued or issuable to persons providing investor relations activities (as defined in NEO policies) as compensation within a one-year period, shall not exceed 1% of the total number of Shares then outstanding. For the purposes of this Section, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the~~

proposed grant of the applicable Award. Under this Plan “security based compensation arrangements” shall mean any compensation or incentive mechanism (such as option plans, restricted share plans, share purchase plans) involving the issuance or potential issuances of securities of the Company from treasury.

Section 5. Eligibility

- (a) Eligibility. Any Eligible Person shall be eligible to be designated as a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company and/or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to full-time or part-time employees (which term, as used herein, includes, without limitation, officers and Directors who are also employees), and an Incentive Stock Option shall not be granted to an employee of an Affiliate unless such Affiliate is also a “subsidiary corporation” of the Company within the meaning of Section 424(f) of the Code or any successor provision.
- (b) Ceasing to be an Eligible Person. If a Participant ceases to be an Eligible Person for any reason, whether for cause or otherwise, the Participant may, but only within 90 days following the date on which it ceased to be an Eligible Person, ~~or within 30 such days if such Participant is an investor relations person or holder of Incentive Stock Options, exercise any Option that was exercisable on the date the Participant ceased to be an Eligible Person. The Committee may extend such 90 or 30 day period, as applicable, subject to obtaining any approval required by the stock exchange on which the Shares then trade, if any, and subject to a maximum extension to the original expiry date of such Options. Any Option that was not exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire on such date, unless extended as contemplated herein. Any Option that was exercisable on the date the Participant ceased to be an Eligible Person is deemed to expire immediately following the 90 or 30 day period, as applicable, unless extended as contemplated herein.~~

Section 6. Awards

- (a) Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine:
- (i) Exercise Price. The purchase price per Share purchasable under an Option shall be determined by the Committee and shall not be less than ~~100%~~ of the Fair Market Value of a Share on the date of grant of such Option; ~~provided, however, that the Committee may designate a purchase price below Fair Market Value on the date of grant if the Option is granted in substitution for a Stock Option previously granted by an entity that is acquired by or merged with the Company or an Affiliate as determined in accordance with this Plan.~~
- (ii) Option Term. The term of each Option shall be fixed by the Committee at the date of grant but shall not be longer than 10 years from the date of grant. Notwithstanding the foregoing, in the event that the expiry date of an Option falls within a trading blackout period imposed by the Company (a “**Blackout Period**”), and neither the Company nor the individual in possession of an Option is subject to a cease trade order in respect of the Company’s securities, then the expiry date of such Option shall be automatically extended to the 10th business day following the end of the Blackout Period. ~~With, provided, however, that with respect to Options awarded to a U.S. Award Holder Participant, the application of the this extension with respect to a Blackout Period shall be made in the Company’s sole discretion in accordance with the Code and Section 409A thereof, and in no event will such Options be extended beyond the original expiry date unless otherwise permitted without adverse tax consequences under Code Section 409A.~~

- (iii) **Time and Method of Exercise.** The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms, including, but not limited to, cash, Shares (actually or by attestation), other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereto may be made or deemed to have been made.
- (A) **Promissory Notes.** Notwithstanding the foregoing, the Committee may not permit payment of the exercise price, either in whole or in part, with a promissory note.
- (B) **Net Exercises.** The Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number of Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Shares underlying the Option being exercised on the date of exercise, over the exercise price of the Option for such Shares.
- (iv) **Incentive Stock Options.** Notwithstanding anything in the Plan to the contrary, the following additional provisions shall apply to the grant of stock options which are intended to qualify as Incentive Stock Options:
- (A) ~~The Committee will not grant Incentive Stock Options in which~~To the extent that the aggregate Fair Market Value (determined ~~as of~~at the time ~~the Option is granted~~of grant) of the Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under ~~this Plan and all other plans of the Company and its any Affiliates~~exceeds \$100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Non-Qualified Stock Options, notwithstanding any contrary provision of the applicable Award Agreement(s).
- (B) All Incentive Stock Options must be granted within ten years from the earlier of the date on which this Plan was adopted by the Committee or the date this Plan was approved by the shareholders of the Company.
- (C) Unless sooner exercised, all Incentive Stock Options shall expire and no longer be exercisable no later than 10 years after the date of grant; *provided, however*, that in the case of a grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or of its Affiliates, such Incentive Stock Option shall expire and no longer be exercisable no later than five years from the date of grant.
- (D) The purchase price per Share for an Incentive Stock Option shall be not less than 100% of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option; *provided, however*, that, in the case of the grant of an Incentive Stock Option to a Participant who, at the time such Option is granted, owns (within the meaning of Section 422 of the Code) shares possessing more than 10% of the total combined voting power of all classes of shares of the Company or of its Affiliates, the purchase price per Share purchasable under an Incentive Stock Option shall be not less than 110% of the Fair Market Value of a Share on the date of grant of the Incentive Stock Option.

- (E) Any Incentive Stock Option authorized under the Plan shall contain such other provisions as the Committee shall deem advisable, but shall in all events be consistent with and contain all provisions required in order to qualify the Option as an Incentive Stock Option.
 - (F) Nothing under this Plan is intended to make the Company liable for any harm arising from a grant of Options where such Options do not qualify as Incentive Stock Options for any reason. The Company is not obligated to take any action in the case that any Options fail to qualify as Incentive Stock Options.
- (v) Cashless Exercise.
- (A) Notwithstanding anything to the contrary, a Participant may elect to exercise an Option without payment of the aggregate exercise price of the Shares to be purchased pursuant to the exercise of the Option (a “**Cashless Exercise**”) by delivering a Cashless Exercise Notice to the Committee. Upon receipt by the Committee of a Cashless Exercise Notice from a Participant, the Company shall calculate and issue to Participant that number of Shares as is determined by application of the following formula:

$$X=[Y(A-B)]/A$$

Where:

X = the number of Shares to be issued to the Participant upon the Cashless Exercise

Y = the number of Shares underlying the Options being exercised

A = the Fair Market Value as at the date of the Cashless Exercise Notice, if such Fair Market Value is greater than the exercise price

B = the exercise price of the Options being exercised

The Company may, but is not obligated to accept, any Cashless Exercise of which it receives notice. If the Company does accept such Cashless Exercise, no fractional Shares will be issued to any Participant electing a Cashless Exercise. If the number of Shares to be issued to the Participant in the event of a Cashless Exercise would otherwise include a fraction of a Share, the Company will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to “A” in the formula set out above.

- (b) Stock Appreciation Rights. The Committee is hereby authorized to grant Stock Appreciation Rights to Eligible Persons subject to the terms of the Plan and any applicable Award Agreement. A Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive upon exercise thereof the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the Stock Appreciation Right as specified by the Committee, which price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right; *provided, however*, that, subject to applicable law and stock exchange rules, the Committee may designate a grant price below Fair Market Value on the date of grant if the Stock Appreciation Right is granted in substitution for a Stock Appreciation Right previously granted by an entity that is acquired by or merged with the Company or an Affiliate. Subject to the terms of the Plan and any applicable Award Agreement, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions of any Stock Appreciation Right shall be as determined by the Committee (except that the term of each Stock Appreciation Right shall be subject to the same limitations in Section 6(a)(ii) applicable to Options). The Committee may impose such conditions or restrictions on the exercise of any Stock Appreciation Right as it may deem appropriate.

- (c) **Restricted Share and Restricted Share Units.** The Committee is hereby authorized to grant an Award of Restricted Share and Restricted Share Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:
- (i) **Restrictions.** Restricted Shares and Restricted Share Units shall be subject to such restrictions as the Committee may impose (including, without limitation, any limitation on the right to vote a Share of Restricted Share or the right to receive any dividend or other right or property with respect thereto), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise as the Committee may deem appropriate. Notwithstanding the foregoing, rights to dividend or Dividend Equivalent payments shall be subject to the limitations described in Section 6(e).
- (ii) **Issuance and Delivery of Shares.** Any Restricted Share granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration or issuance of a share certificate or certificates, which certificate or certificates shall be held by the Company or held in nominee name by the share transfer agent or brokerage service selected by the Company to provide such services for the Plan. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Share. Shares representing Restricted Share that are no longer subject to restrictions shall be delivered (including by updating the book-entry registration) to the Participant promptly after the applicable restrictions lapse or are waived. In the case of Restricted Share Units, no Shares shall be issued at the time such Awards are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Share Units evidencing the right to receive Shares, such Shares shall be issued and delivered to the holder of the Restricted Share Units, and with respect to U.S. Participants, unless the applicable Restricted Share Unit Award expressly provides for a different settlement/payment date, Shares will be issued and delivered in all cases on or before the later of (i) the 15th day of the third month following the end of the Participant's taxable year that includes the date on which the Participant's right to payment with respect to Restricted Share Units is no longer subject to a substantial risk of forfeiture, and (ii) the 15th day of the third month following the end of the Company's taxable year that includes the date on which the Participant's right to payment with respect to Restricted Share Units is no longer subject to a substantial risk of forfeiture.
- (iii) **Forfeiture.** Except as otherwise determined by the Committee or as provided in an Award Agreement, upon a Participant's termination of employment or service or resignation or removal as a Director (in either case, as determined under criteria established by the Committee) during the applicable restriction period, all Restricted Shares and all Restricted Share Units held by such Participant at such time shall be forfeited and reacquired by the Company for cancellation at no cost to the Company; *provided, however*, that the Committee may waive in whole or in part any or all remaining restrictions with respect to Restricted Shares or Restricted Share Units.
- (d) **Performance Awards.** The Committee is hereby authorized to grant Performance Awards to Eligible Persons. A Performance Award granted under the Plan (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Share and Restricted Share Units), other securities, other Awards or other property and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of

any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of any Performance Award, including time of settlement/payment with respect to Performance Awards, shall be determined by the Committee and set forth in the applicable Award Agreement.

- (e) Dividend Equivalents. The Committee is hereby authorized to grant Dividend Equivalents to Eligible Persons under which the Participant shall be entitled to receive payments (in cash, Shares, other securities, other Awards or other property as determined in the discretion of the Committee) equivalent to the amount of cash dividends paid by the Company to holders of Shares with respect to a number of Shares determined by the Committee. Subject to the terms of the Plan and any applicable Award Agreement, such Dividend Equivalents may have such terms and conditions as the Committee shall determine. Notwithstanding the foregoing, (i) the Committee may not grant Dividend Equivalents to Eligible Persons in connection with grants of Options, Stock Appreciation Rights or other Awards the value of which is based solely on an increase in the value of the Shares after the date of grant of such Award, and (ii) dividend and Dividend Equivalent amounts may be accrued but shall not be paid unless and until the date on which all conditions or restrictions relating to such Award have been satisfied, waived or lapsed.
- (f) Other Share-Based Awards. The Committee is hereby authorized to grant to Eligible Persons such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purpose of the Plan. The Committee shall determine the terms and conditions of such Awards, subject to the terms of the Plan and any applicable Award Agreement. No Award issued under this Section 6(f) shall contain a purchase right or an option-like exercise feature.
- (g) General Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.
 - (ii) Limits on Transfer of Awards. ~~Except as otherwise provided by the Committee in its discretion and subject to such additional terms and conditions as it determines, no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) No Award~~ and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. ~~Where the Committee does permit the transfer of an Award other than a fully vested and unrestricted Share, such permitted transfer shall be for no value and in accordance with all applicable securities rules.~~ The Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death. In the event of a Participant's death, any unexercised, options issued to such Participant shall be exercisable within a period of one year next succeeding the year in which the Participant died, unless such exercise period is extended by the Committee and approval is obtained from the stock exchange on which the Shares then trade, as applicable.
 - (iii) Restrictions; Securities Exchange Listing. All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Shares or other securities to reflect such restrictions. The Company shall not be required to deliver any Shares or other securities covered by an Award unless and until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.

- (iv) Prohibition on Option and Stock Appreciation Right Repricing. Except as provided in Section 4(c) hereof, the Committee may not, without prior approval of the Company's shareholders and applicable stock exchange approval, seek to effect any repricing of any previously granted, "underwater" Option or Stock Appreciation Right by: (i) amending or modifying the terms of the Option or Stock Appreciation Right to lower the exercise price; (ii) canceling the underwater Option or Stock Appreciation Right and granting either (A) replacement Options or Stock Appreciation Rights having a lower exercise price; or (B) Restricted Share, Restricted Share Units, Performance Award or Other Share-Based Award in exchange; or (iii) cancelling or repurchasing the underwater Option or Stock Appreciation Right for cash or other securities. An Option or Stock Appreciation Right will be deemed to be "underwater" at any time when the Fair Market Value of the Shares covered by such Award is less than the exercise price of the Award.
- (v) Section 409A Provisions. Notwithstanding anything in the Plan or any Award Agreement to the contrary, to the extent that any amount or benefit that constitutes "deferred compensation" to a Participant under Section 409A and applicable guidance thereunder is otherwise payable or distributable to a Participant under the Plan or any Award Agreement solely by reason of the occurrence of a change in control or due to the Participant's disability or "separation from service" (as such term is defined under Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Committee determines in good faith that (i) the circumstances giving rise to such change in control event, disability or separation from service meet the definition of a change in control event, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code and applicable proposed or final regulations, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. Any payment or distribution that otherwise would be made to a Participant who is a Specified Employee (as determined by the Committee in good faith) on account of separation from service ~~may will~~ not be made ~~before~~until the date which is six months and one day after the date of the Specified Employee's separation from service (or if earlier, upon the Specified Employee's death) unless the payment or distribution is exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise, or unless earlier payment or distribution would otherwise be permitted under Code Section 409A.
- (vi) Acceleration of Vesting or Exercisability. No Award Agreement shall accelerate the exercisability of any Award or the lapse of restrictions relating to any Award in connection with a change-in-control event, unless such acceleration occurs upon the consummation of (or effective immediately prior to the consummation of, *provided that* the consummation subsequently occurs) such change-in-control event.

Section 7. Amendment and Termination; Corrections

- (a) Amendments to the Plan and Awards. The Committee may from time to time amend, suspend or terminate this Plan, and the Committee may amend the terms of any previously granted Award, *provided that* no amendment to the terms of any previously granted Award may (except as expressly provided in the Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under this Plan without the written consent of the Participant or holder thereof. Any amendment to this Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange. For greater certainty and without limiting the foregoing, the Committee may amend, suspend, terminate or discontinue the Plan, and the Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders of the Company in order to:

- (i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Plan;
- (ii) amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the vesting, expiry, assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively;
- (iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange (including amendments to Awards necessary or desirable to avoid any adverse tax results under Section 409A), and no action taken to comply shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof; or
- (iv) amend any terms relating to the administration of the Plan, including the terms of any administrative guidelines or other rules related to the Plan.

Notwithstanding the foregoing and for greater certainty, prior approval of the shareholders of the Company shall be required for any amendment to the Plan or an Award that would:

- (i) require shareholder approval under the rules or regulations of securities exchange that is applicable to the Company, and specifically Sections 10.12(5), 10.12(6) and 10.12(7) of the NEO Exchange Listing Manual;
 - (ii) permit repricing of Options or Stock Appreciation Rights, which is currently prohibited by Section 6(g)(iv) of the Plan;
 - (iii) permit the award of Options or Stock Appreciation Rights at a price less than 100% of the Fair Market Value of a Share on the date of grant of such Option or Stock Appreciation Right, contrary to the provisions of Section 6(a)(i) and Section 6(b) of the Plan;
 - (iv) permit Options to be transferable other than for normal estate settlement purposes;
 - (v) amend this Section 7(a); or
 - (vi) increase the maximum term permitted for Options and Stock Appreciation Rights as specified in Section 6(a) and Section 6(b) or extend the terms of any Options beyond their original expiry date.
- (b) Corporate Transactions. In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Shares or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement to undergo such a transaction or event), the Committee or the Board may, in its sole discretion, provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, *provided that* the consummation of the event subsequently occurs), and no action taken under this Section 7(b) shall be deemed to impair or otherwise adversely alter the rights of any holder of an Award or beneficiary thereof:
- (i) either (A) termination of the Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights (and, for the avoidance of doubt, if, as of the date of the occurrence of the transaction or event described in this Section 7(b)(i)(A), the Committee or the Board determines in good faith that no amount would have been attained upon the exercise of

the Award or realization of the Participant's rights, then the Award may be terminated by the Company without any payment) or (B) the replacement of the Award with other rights or property selected by the Committee or the Board, in its sole discretion;

- (ii) that the Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the share of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;
 - (iii) that, subject to Section 6(g)(vi), the Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the applicable Award Agreement; or
 - (iv) that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.
- (c) Correction of Defects, Omissions and Inconsistencies. The Committee may, without prior approval of the shareholders of the Company, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

Section 8. Income Tax Withholding

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. Without limiting the foregoing, in order to assist a Participant in paying all or a portion of the applicable taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes (subject to any applicable limitations under ASC Topic 718 to avoid adverse accounting treatment) or (b) delivering to the Company Shares other than Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

Section 9. U.S. Securities Laws

Neither the Awards nor the securities which may be acquired pursuant to the exercise of the Awards have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America and are considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act and any Shares shall be affixed with an applicable restrictive legend as set forth in the Award Agreement. The Awards may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Awards or the securities underlying the Awards, which could result in such U.S. Award Holder not being able to dispose of any Shares issued on exercise of Awards for a considerable length of time. Each U.S. Award Holder or anyone who becomes a U.S. Award Holder, who is granted an Award in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States will be required to complete an Award Agreement which sets out the applicable United States restrictions.

Section 10. California Participants

In addition to the other provisions of the Plan (and notwithstanding any other provision of the Plan to the contrary), the following limitations and requirements will apply to any option granted to a Participant that receives an option issued in reliance on Section 25102(o) of the California Corporations Code (each, a "California Participant").

- (a) Notwithstanding anything stated herein to the contrary, no option granted to a California Participant shall be exercisable on or after the 10th anniversary of the date of grant.
- (b) Options granted to California Participants are non-assignable and non-transferable except by will, by the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the U.S. Securities Act.
- (c) Notwithstanding anything stated herein to the contrary, the Board shall in any event make such adjustments as may be required by Section 25102(q) of the California Corporations Code.
- (d) Unless a California Participant's employment is terminated for cause, the right to exercise an option awarded under the Plan in the event of termination of employment continues until the earlier of: (i) the expiry date set forth in the applicable option agreement or (ii) (A) if termination was caused by death or Permanent Disability, at least six months from the date of termination and (B) if termination was caused other than by death or Permanent Disability, at least thirty days from the date of termination. "Permanent Disability" for the purposes of this Section 10(d) shall mean the inability of a California Participant, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the California Participant's position with the Company because of the sickness or injury of such California Participant.
- (e) Options under the Plan shall be granted by the earlier of (i) ten years from the date the Plan is adopted or (ii) ten years from the date the Plan is approved by the Company's security holders.
- (f) The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of applicable laws, at least annually to each California Participant during the period such California Participant has one or more options outstanding; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any option certificate complies with all conditions of Rule 701 of the U.S. Securities Act; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701 of the U.S. Securities Act.
- (g) The Company will not grant options to California Participants unless: (i) the Company is a foreign private issuer, as defined by Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended, on the grant date of the option, and the aggregate number of persons in California granted awards under all compensation plans and agreements and issued securities under all purchase and bonus plans and agreements of the Company does not exceed 35; or (ii) prior to any grant made in reliance upon this subclause (ii) and within 12 months before or after the Plan was adopted by the Board, the Plan is approved by a majority of the Company's outstanding securities entitled to vote, not counting for the purpose of calculating such vote any securities issued upon exercise or vesting of options granted in California.

Section 11. ~~Section 10.~~ General Provisions

- (a) No Rights to Awards. No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

- (b) Award Agreements. No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement shall have been signed by the Participant (if requested by the Company), or until such Award Agreement is delivered and accepted through an electronic medium in accordance with procedures established by the Company. An Award Agreement need not be signed by a representative of the Company unless required by the Committee. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.
- (c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.
- (d) No Rights of Shareholders. Except with respect to Shares issued under Awards (and subject to such conditions as the Committee may impose on such Awards pursuant to Section 6(c)(i) or Section 6(e)), neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Shares issuable upon the exercise or payment of any Award, in whole or in part, unless and until such Shares have been issued.
- (e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.
- (f) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause, in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.
- (g) Governing Law. The internal law, and not the law of conflicts, of the Province of Ontario shall govern all questions concerning the validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award.
- (h) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.
- (i) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.

- (j) Other Benefits. No compensation or benefit awarded to or realized by any Participant under the Plan shall be included for the purpose of computing such Participant's compensation or benefits under any pension, retirement, savings, profit sharing, group insurance, disability, severance, termination pay, welfare or other benefit plan of the Company, unless required by law or otherwise provided by such other plan.
- (k) No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Share or whether such fractional Share or any rights thereto shall be canceled, terminated or otherwise eliminated.
- (l) Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Section 12. ~~Section 11.~~ Clawback or Recoupment

All Awards under this Plan shall be subject to recovery or other penalties pursuant to (i) any Company clawback policy, as may be adopted or amended from time to time, or (ii) any applicable law, rule or regulation or applicable stock exchange rule.

Section 13. ~~Section 12.~~ Effective Date of the Plan

The Plan was adopted by the Board on ~~November 5, 2020~~ July 15, 2021.

Section 14. ~~Section 13.~~ Term of the Plan

No Award shall be granted under the Plan, and the Plan shall terminate, on the earlier of (i) the tenth anniversary of the date the Plan was last approved by the shareholders of the Company, and (ii) the date of discontinuation or termination established pursuant to Section 7(a) of the Plan. Unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such dates, and the authority of the Committee provided for hereunder with respect to the Plan and any Awards, and the authority of the Committee to amend the Plan, shall extend beyond the termination of the Plan.

SCHEDULE "A"
CASHLESS EXERCISE NOTICE

TO: Cybin Inc. (the "Company")

The undersigned hereby irrevocably gives notice, pursuant to the Company's Equity Incentive Plan (the "**Plan**"), of the exercise of the Options to acquire and hereby subscribes for **(cross out inapplicable item)**:

- (a) all of the Shares; or
- (b) _____ of the Shares;

which are the subject of the certificate attached hereto.

The undersigned understands that to the extent that any Options described herein are Incentive Stock Options ("ISOs"), the exercise of such ISOs through Cashless Exercise as contemplated herein will cause such ISOs to lose their ISO status, resulting in treatment as nonqualified stock options for U.S. federal income tax purposes. Pursuant to section 6(a)(v) of the Plan and the approval of the Board, the number of Shares to be issued in accordance with the instructions of the undersigned shall be as is determined by application of the following formula, after deduction of any income tax or other amounts required by law to be withheld:

$$X=[Y(A-B)]/A$$

Where:

X = the number of Shares to be issued to the Participant upon the Cashless Exercise

Y = the number of Shares underlying the Options being exercised

A = the Fair Market Value as at the date of the Cashless Exercise Notice, if such Fair Market Value (as defined in the Plan) is greater than the exercise price

B = the exercise price of the Options being exercised

No fractional Shares will be issued upon the undersigned making a Cashless Exercise. If the number of Shares to be issued to the Participant in the event of a Cashless Exercise would otherwise include a fraction of a Share, the Company will pay a cash amount to such Participant equal to (i) the fraction of a Share otherwise issuable multiplied by (ii) the value attributed to "A" in the formula set out above.

The undersigned directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Cashless Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Cashless Exercise Notice shall have the meanings given to them under the Plan or the attached certificate.

DATED the _____ day of _____, _____.

Signature of Participant

SCHEDULE “E”
SHAREHOLDER RIGHTS PLAN

E - 1

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF [●], 2021

BETWEEN

CYBIN INC.

AND

ODYSSEY TRUST COMPANY

AS RIGHTS AGENT

E - 2

SHAREHOLDER RIGHTS PLAN AGREEMENT
TABLE OF CONTENTS

ARTICLE 1 – INTERPRETATION	E - 5
1.1 Certain Definitions	E - 5
1.2 Currency	E - 19
1.3 Headings	E - 19
1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Common Shares	E - 19
1.5 Acting Jointly or in Concert	E - 20
1.6 Generally Accepted Accounting Principles	E - 20
ARTICLE 2 – THE RIGHTS	E - 20
2.1 Common Shares Issued After Record Time	E - 20
2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights	E - 21
2.3 Adjustments to Exercise Price; Number of Rights	E - 24
2.4 Date on Which Exercise Is Effective	E - 29
2.5 Execution, Authentication, Delivery and Dating of Rights Certificates	E - 29
2.6 Registration, Transfer and Exchange	E - 29
2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates	E - 30
2.8 Persons Deemed Owners of Rights	E - 31
2.9 Delivery and Cancellation of Certificates	E - 31
2.10 Agreement of Rights Holders	E - 31
2.11 Rights Certificate Holder Not Deemed a Shareholder	E - 32
2.12 Fiduciary Duties of the Directors	E - 33
ARTICLE 3 – ADJUSTMENTS TO THE RIGHTS	E - 33
3.1 Flip-in Event	E - 33
ARTICLE 4 – THE RIGHTS AGENT	E - 35
4.1 General	E - 35
4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent	E - 36
4.3 Duties of Rights Agent	E - 36
4.4 Change of Rights Agent	E - 38
4.5 Compliance with Anti-Money Laundering Legislation	E - 39
4.6 Privacy Legislation	E - 39
4.7 Liability	E - 40
ARTICLE 5 – MISCELLANEOUS	E - 40
5.1 Redemption and Waiver	E - 40
5.2 Expiration	E - 42
5.3 Issuance of New Rights Certificates	E - 42
5.4 Supplements and Amendments	E - 42
5.5 Fractional Rights and Fractional Common Shares	E - 44
5.6 Rights of Action	E - 44
5.7 Regulatory Approvals	E - 45
5.8 Declaration as to Non-Canadian or Non-U.S. Holders	E - 45
5.9 Notices	E - 45
5.10 Costs of Enforcement	E - 46
5.11 Successors	E - 46
5.12 Benefits of this Agreement	E - 46
5.13 Governing Law	E - 47
5.14 Severability	E - 47
5.15 Effective Date, Expiration Time	E - 47

5.16	Confirmation and Approval	E - 47
5.17	Determinations and Actions by the Board of Directors	E - 47
5.18	Time of the Essence	E - 48
5.19	Execution in Counterparts	E - 48
5.20	Limited Recourse	E - 48
5.21	Language	E - 48

SHAREHOLDER RIGHTS PLAN AGREEMENT

MEMORANDUM OF AGREEMENT dated as of [●], 2021 between Cybin Inc. (the “**Corporation**”), a corporation existing under the laws of the Province of Ontario and Odyssey Trust Company, a trust company existing under the laws of Alberta and registered to carry on business in the Provinces of Alberta and British Columbia (the “**Rights Agent**”);

WHEREAS the Board of Directors (as hereinafter defined) has determined that it is in the best interests of the Corporation to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over bid for the Corporation;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement, the Board of Directors has:

- (a) authorized the issuance, effective at 12:01 a.m. (Toronto time) on the Effective Date (as hereinafter defined), of one Right (as hereinafter defined) in respect of each Common Share (as hereinafter defined) outstanding at 12:01 a.m. (Toronto time) on the Effective Date (the “**Record Time**”);
- (b) authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and
- (c) authorized the issuance of Rights Certificates to holders of Rights pursuant to the terms and subject to the conditions set forth herein.

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“1934 Exchange Act”** means the *Securities Exchange Act* of 1934 of the United States, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced;
- (b) **“Acquiring Person”** shall mean any Person who is the Beneficial Owner of 20% or more of the then outstanding Common Shares; provided, however, that the term **“Acquiring Person”** shall not include:
- (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of one or any combination of (A) a Common Share Reduction, (B) a Permitted Bid Acquisition, (C) an Exempt Acquisition, (D) a Pro Rata Acquisition, or (D) Convertible Security Acquisition; provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Common Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), (D) or (E) above and such Person’s Beneficial Ownership of Common Shares thereafter increases by more than 1.0% of the number of Common Shares then outstanding (other than pursuant to one or any combination of a Common Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition, or a Convertible Security Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Common Shares, such Person shall become an **“Acquiring Person”**; and
 - (iii) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a distribution of securities of the Corporation;
- (c) **“Affiliate”** when used to indicate a relationship with a Person means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person;
- (d) **“Agreement”** shall mean this shareholder rights plan agreement dated as of [●], 2021 between the Corporation and the Rights Agent, as the same may be amended, supplemented and/or restated from time to time; **“hereof”**, **“herein”**, **“hereto”** and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (e) **“Associate”** means, when used to indicate a relationship with a specified Person, a spouse of that Person, any Person of the same or opposite sex with whom that Person is living in a conjugal relationship outside marriage, a child of that Person or a relative of that Person if that relative has the same residence as that Person;

- (f) A Person shall be deemed the **“Beneficial Owner”** of, and to have **“Beneficial Ownership”** of, and to **“Beneficially Own”**,
- (i) any securities as to which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable immediately or within a period of 60 days and whether or not on condition or the happening of any contingency or the making of any payment) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than (x) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities and (y) pledges of securities in the ordinary course of business), or upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrant or option; or
 - (iii) any securities which are Beneficially Owned within the meaning of Clauses 1.1(f)(i) and (ii) by any other Person with whom such Person is acting jointly or in concert;
- provided, however*, that a Person shall not be deemed the **“Beneficial Owner”** of, or to have **“Beneficial Ownership”** of, or to **“Beneficially Own”**, any security:
- (iv) where such security has been agreed to be deposited or tendered pursuant to a Lock-up Agreement or is otherwise deposited to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall first occur;
 - (v) where such Person, any of such Person’s Affiliates or Associates or any other Person acting jointly or in concert with such Person holds such security provided that:
 - A. the ordinary business of any such Person (the **“Investment Manager”**) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager’s duties for the account of any other Person (a **“Client”**), including a non-discretionary account held on behalf of a Client by a broker or dealer registered under applicable law;

- B. such Person (the **“Trust Company”**) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an **“Estate Account”**) or in relation to other accounts (each an **“Other Account”**) and holds such security in the ordinary course of such duties for the estate of any such deceased or incompetent Person or for such other accounts;
- C. such Person is established by statute for purposes that include, and the ordinary business or activity of such Person (the **“Statutory Body”**) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;
- D. such Person (the **“Administrator”**) is the administrator or trustee of one or more pension funds or plans (a **“Plan”**), or is a Plan, registered under the laws of Canada or any Province thereof or the laws of the United States of America or any State thereof;
- E. such Person (the **“Crown Agent”**) is a Crown agent or agency; or
- F. such Person (the **“Manager”**) is the manager or trustee of a mutual fund (**“Mutual Fund”**) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund.

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator, the Plan, the Crown Agent, the Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid or has not then announced an intention to make a Take-over Bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Common Shares or other securities (x) pursuant to a distribution by the Corporation, (y) by means of a Permitted Bid or (z) by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market;

- (vi) where such Person is (A) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (B) an Estate Account or an Other Account of the same Trust

Company as another Person on whose account the Trust Company holds such security or (C) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;

- (vii) where such Person is (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (B) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (C) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
- (viii) where such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;
- (g) **“Board of Directors”** shall mean the board of directors of the Corporation or any duly constituted and empowered committee thereof;
- (h) **“Business Day”** shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law to close;
- (i) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States Dollars means, on any date, the Canadian dollar equivalent of such amount determined by multiplying such amount by the U.S. – Canadian Exchange Rate in effect on such date;
- (j) **“Canadian—U.S. Exchange Rate”** means, on any date, the inverse of the U.S. – Canadian Exchange Rate in effect on such date;
- (k) **“close of business”** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal transfer office in Toronto, Ontario of the transfer agent for the Common Shares (or, after the Separation Time, the principal transfer office in Toronto, Ontario of the Rights Agent) is closed to the public; provided, however, that for the purposes of the definitions of **“Competing Permitted Bid”** and **“Permitted Bid”**, **“close of business”** on any date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day);
- (l) **“Common Share Acquisition Date”** shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to section 5.2 of NI 62-104 or Section 13(d) of the *1934 Exchange Act*) by the Corporation or an Acquiring Person that an Acquiring Person has become such;
- (m) **“Common Share Reduction”** means an acquisition or redemption by the Corporation of Common Shares which, by reducing the number of Common

Shares outstanding, increases the proportionate number of Common Shares Beneficially Owned by any person to 20% or more of the Common Shares then outstanding;

- (n) **“Common Shares”** shall mean the Common Shares in the capital of the Corporation and **“Common Share”** means any one of them;
- (o) **“Competing Permitted Bid”** means a Take-over Bid that:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of the Permitted Bid or Competing Permitted Bid; and
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Clause (ii)(A) of the definition of a Permitted Bid; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits or tenders of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;
provided, however, that a Take-over Bid that qualified as a Competing Permitted Bid shall cease to be a Competing Permitted Bid at any time and as soon as such time as when such Take-over Bid ceases to meet any or all of the provisions of this definition;
- (p) **“controlled”** a Person is “controlled” by another Person or two or more other Persons acting jointly or in concert if:
 - (i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate;
 - (ii) in the case of a Person which is not a body corporate, more than 50% of the voting interests of such entity are held, directly or indirectly, by or for the benefit of the other Person; or
 - (iii) in the case of a Person which is a limited partnership, the general partner controls the partnership;

and “controls”, “controlling” and “under common control with” shall be interpreted accordingly;

- (q) **“Convertible Security”** means a security convertible or exchangeable into a Common Share and a **“Convertible Security Acquisition”** means an acquisition by a Person of Common Shares upon the exercise, conversion or exchange of Convertible Securities received by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;
- (r) **“Co-Rights Agents”** shall have the meaning ascribed thereto in Subsection 4.1(a);
- (s) **“Disposition Date”** shall have the meaning ascribed thereto in Subsection 5.1(h);
- (t) **“Distribution Reinvestment Acquisition”** shall mean an acquisition of Common Shares pursuant to a Distribution Reinvestment Plan;
- (u) **“Distribution Reinvestment Plan”** means a regular distribution reinvestment or other plan of the Corporation made available by the Corporation to holders of its securities where such plan permits the holder to direct that some or all of:
 - (i) distributions paid in respect of Common Shares;
 - (ii) proceeds of redemption of Common Shares;
 - (iii) interest paid on evidences of indebtedness of the Corporation; or
 - (iv) optional cash payments;be applied to the purchase from the Corporation of Common Shares;
- (v) **“Effective Date”** means [●], 2021;
- (w) **“Election to Exercise”** shall have the meaning ascribed thereto in Clause 2.2(d)(ii);
- (x) **“Exempt Acquisition”** means a:
 - (i) Common Share acquisition in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsection 5.1(a) or (h);
 - (ii) acquisition pursuant to a distribution by the Corporation of Common Shares or Convertible Securities (and the conversion or exchange of such securities) pursuant to a prospectus or similar document or by way of private placement, provided that all necessary stock exchange approvals for the distribution have been obtained and the distribution

complies with the terms and conditions of those approvals and the purchaser does not become the Beneficial Owner of more than 25% of the Common Shares outstanding immediately prior to the distribution (and in making this determination, the securities to be issued to that purchaser pursuant to the distribution will be deemed to be held by that purchaser but will not be included in the aggregate number of outstanding Common Shares immediately prior to the distribution); or

- (iii) Common Share acquisition pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval;
- (y) **“Exercise Price”** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be an amount equal to three times the Market Price;
- (z) **“Expansion Factor”** shall have the meaning ascribed thereto in Clause 2.3(a)(x);
- (aa) **“Expiration Time”** shall mean the earlier of:
 - (i) the Termination Time; and
 - (ii) the close of business on that date which is the date of termination of this Agreement under Section 5.16;
- (bb) **“Flip-in Event”** shall mean a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (cc) **“holder”** shall have the meaning ascribed thereto in Section 2.8;
- (dd) **“Independent Shareholders”** shall mean holders of Common Shares, other than:
 - (i) any Acquiring Person;
 - (ii) any Offeror (other than any Person who, by virtue of Clause 1.1(f)(v), is not deemed to Beneficially Own the Common Shares held by such Person);
 - (iii) any Affiliate or Associate of any Acquiring Person or Offeror;
 - (iv) any Person acting jointly or in concert with any Acquiring Person or Offeror; and
 - (v) any employee benefit plan, deferred profit sharing plan, share participation plan and any other similar plan or trust for the benefit of employees of the Corporation unless the beneficiaries of the plan or

trust direct the manner in which the Common Shares are to be voted or withheld from voting or direct whether the Common Shares are to be tendered to a Take-over Bid;

(ee) **“Lock-up Agreement”** means an agreement between an Offeror, any of its Affiliates or Associates or any other Person acting jointly or in concert with the Offeror and a Person (the **“Locked-up Person”**) who is not an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror whereby the Locked-up Person agrees to deposit or tender the Common Shares held by the Locked-up Person to the Offeror’s Take-over Bid or to any Take-over Bid made by any of the Offeror’s Affiliates or Associates or made by any other Person acting jointly or in concert with the Offeror (the **“Lock-up Bid”**), provided that:

(i) the agreement:

- A. permits the Locked-up Person to withdraw the Common Shares from the agreement in order to tender or deposit the Common Shares to another Take-over Bid or to support another transaction that in either case will provide greater value to the Locked-up Person than the Lock-up Bid; or
- B. (1) permits the Locked-up Person to withdraw the Common Shares from the agreement in order to tender or deposit the Common Shares to another Take-over Bid or to support another transaction that contains an offering price for each Common Share that exceeds by as much as or more than a specified amount (the **“Specified Amount”**) the offering price for each Common Share contained in or proposed to be contained in the Lock-up Bid; and (2) does not by its terms provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid;

and, for greater clarity, the Lock-up Agreement may contain a right of first refusal or require a period of delay to give an Offeror an opportunity to match a higher price in another Take-over Bid or other similar limitation on a Locked-up Person as long as the Locked-up Person can accept another bid or tender to another transaction;

(ii) the agreement does not provide for any “break-up” fees, “top-up” fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of:

- A. the cash equivalent of 2.5% of the consideration payable under the Take-over Bid to the Locked-up Person; and
- B. 50% of the amount by which the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the consideration that such Locked-up Person would have received under the Lock-up Bid;

to be paid by a Locked-up Person pursuant to the Lock-up Agreement in the event that the Locked-up Person fails to deposit or tender Common Shares to the Lock-up Bid or withdraws Common Shares in order to tender to another Take-over Bid or participate in another transaction; and

(iii) the agreement is made available to the public:

- A. not later than the date on which the Lock-up Bid is publicly announced; or
- B. if the Lock-up Bid has been made prior to the date on which such agreement has been entered into, forthwith and in any event not later than the Business Day following the date of such agreement;

(ff) **“Market Price”** per security of any securities on any date of determination shall mean the average of the daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:

- (i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal Canadian stock exchange (as determined by volume of trading) on which such securities are listed or admitted to trading;
- (ii) if for any reason none of such prices is available on such day or the securities are not listed or posted for trading on a Canadian stock exchange, the last sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal national United States securities exchange (as determined by volume of trading) on which such securities are listed or admitted to trading;

- (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange, the last sale price or, in case no sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the over-the-counter market, as quoted by any recognized reporting system then in use; or
- (iv) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or a national United States securities exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a recognized professional market maker making a market in the securities;

provided, however, that if for any reason none of such prices is available on such day, the closing price per share of such securities on such date means the fair value per share of such securities on such date as determined by a nationally recognized investment dealer or investment banker; provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;

- (gg) **“NI 62-104”** shall mean National Instrument 62-104 *Take-Over Bids and Issuer Bids*, as amended, re-enacted or replaced from time to time, and any comparable or successor laws or instruments thereto;
- (hh) **“Nominee”** shall have the meaning ascribed thereto in Subsection 2.2(c);
- (ii) **“Offer to Acquire”** shall include:
 - (i) an offer to purchase or a solicitation of an offer to sell Common Shares; and
 - (ii) an acceptance of an offer to sell Common Shares, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

- (jj) **“Offeror”** shall mean a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
- (kk) **“Offeror’s Securities”** means Common Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire;
- (ll) **“Permitted Bid”** means a Take-over Bid made by an Offeror by way of take-over bid circular which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of Common Shares as registered on the books of the Corporation, other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken-up or paid for pursuant to the Take-over Bid (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum initial deposit period that a take-over bid (that is not exempt from Part 2, Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104 and (B) then only if at the close of business on such date more than 50% of the Common Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
 - (iii) unless the Take-over Bid is withdrawn, the Take-over Bid contains an irrevocable and unqualified condition that Common Shares may be deposited pursuant to such Take-over Bid at any time during the period of time described in Clause 1.1(ii)(ii) and that any Common Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (iv) the Take-over Bid contains an irrevocable and unqualified condition that in the event that the deposit condition set forth in Clause 1.1(ii)(ii)(B) is satisfied the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Common Shares for not less than ten days from the date of such public announcement;

provided that, should a Permitted Bid cease to be a Permitted Bid because it ceases to meet any or all of the requirements mentioned above prior to the time it expires (after giving effect to any extension) or is withdrawn, then any acquisition of Common Shares made pursuant to such Permitted Bid, including any acquisition of Common Shares made prior to such time, shall not be a Permitted Bid Acquisition. The term “Permitted Bid” shall include a Competing Permitted Bid.

- (mm) **“Permitted Bid Acquisition”** shall mean an acquisition of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (nn) **“Person”** shall include any individual, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, body corporate, corporation, unincorporated organization, syndicate, governmental entity or other entity;
- (oo) **“Pro Rata Acquisition”** means an acquisition by a Person of Common Shares pursuant to:
- (i) a Distribution Reinvestment Acquisition;
 - (ii) a share split or other event in respect of Common Shares pursuant to which such Person becomes the Beneficial Owner of Common Shares on the same pro rata basis as all other holders of Common Shares;
 - (iii) the acquisition or the exercise by the Person of only those rights to purchase Common Shares distributed to that Person in the course of a distribution to all holders of Common Shares pursuant to a rights offering or pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of such Common Shares or securities convertible into or exchangeable for Common Shares so offered than the Person’s percentage of Common Shares Beneficially Owned immediately prior to such acquisition; or
 - (iv) a distribution of Common Shares, or securities convertible into or exchangeable for Common Shares (and the conversion or exchange of such convertible or exchangeable securities), made pursuant to a prospectus or by way of a private placement, provided that the Person does not thereby acquire a greater percentage of such Common Shares, or securities convertible into or exchangeable for Common Shares, so offered than the Person’s percentage of Common Shares Beneficially Owned immediately prior to such acquisition;
- (pp) **“Record Time”** has the meaning set forth in the recitals to this Agreement;
- (qq) **“Right”** means a right to purchase a Common Share upon the terms and subject to the conditions set forth in this Agreement;
- (rr) **“Rights Certificate”** means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (ss) **“Rights Register”** shall have the meaning ascribed thereto in Subsection 2.6(a);

- (tt) **“Securities Act (Ontario)”** shall mean the *Securities Act*, R.S.O. 1990, c.S.5, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto;
- (uu) **“Separation Time”** shall mean the close of business on the eighth Trading Day after the earlier of:
- (i) the Common Share Acquisition Date;
 - (ii) the date of the commencement of or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid), or such later time as may be determined by the Board of Directors, provided that, if any Take-over Bid referred to in this Clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made; and
 - (iii) the date on which a Permitted Bid or a Competing Permitted Bid ceases to be such;
- (vv) **“Shareholder”** means a holder of Common Shares;
- (ww) **“Subsidiary”** a corporation is a Subsidiary of another corporation or person if:
- (i) it is controlled by:
 - A. that other; or
 - B. that other and one or more corporations each of which is controlled by that other; or
 - C. two or more corporations each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a corporation that is that other’s Subsidiary;
- (xx) **“Take-over Bid”** shall mean an Offer to Acquire Common Shares, or securities convertible into Common Shares if, assuming that the Common Shares or convertible securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Common Shares (including Common Shares that may be acquired upon conversion of securities convertible into Common Shares) together with the Offeror’s Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire;

- (yy) **“Termination Time”** means the time at which the right to exercise Rights will terminate pursuant to subsection 5.1(e);
- (zz) **“Trading Day”**, when used with respect to any securities, shall mean a day on which the principal Canadian stock exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian stock exchange, a Business Day;
- (aaa) **“U.S.-Canadian Exchange Rate”** means, on any date:
- (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith; and
- (bbb) **“U.S. Dollar Equivalent”** of any amount which is expressed in Canadian dollars means, on any date, the United States dollar equivalent of such amount determined by multiplying such amount by the Canadian-U.S. Exchange Rate in effect on such date.

1.2 **Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 **Headings**

The division of this Agreement into Articles, Sections, Subsections, Clauses, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 **Calculation of Number and Percentage of Beneficial Ownership of Outstanding Common Shares**

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person, shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

- A = the number of votes for the election of all directors generally attaching to the Common Shares Beneficially Owned by such Person; and
- B = the number of votes for the election of all directors generally attaching to all outstanding Common Shares.

Where any Person is deemed to Beneficially Own unissued Common Shares, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person.

1.5 Acting Jointly or in Concert

For the purpose hereof, a Person is acting jointly or in concert with another Person if the first Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with the other Person, any Associate or Affiliate of such other Person, or any other Person acting jointly or in concert with such other Person, to acquire or offer to acquire any Common Shares (other than customary agreements with and between underwriters and banking group or selling group members with respect to a public offering or distribution of securities and other than pursuant to a pledge of securities in the ordinary course of business).

1.6 Generally Accepted Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

ARTICLE 2 - THE RIGHTS

2.1 Common Shares Issued After Record Time

Common Shares which are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall also evidence one Right for each such Common Share and, if certificates are issued in respect of any Common Shares, the following legend shall be impressed on, printed on, written on or otherwise affixed to them:

“Until the Separation Time (defined in the Shareholder Rights Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder

Rights Plan Agreement dated as of [•], 2021 (the “Shareholder Rights Agreement”) between Cybin Inc. (the “Corporation”) and Odyssey Trust Company, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Agreement, the rights may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.”

Any Common Shares that are issued and outstanding at the Record Time shall also evidence one Right for each such Common Share, notwithstanding the absence of certificates evidencing such Common Shares or the absence of the foregoing legend thereon, until the close of business on the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (and the Exercise Price and number of Common Shares are subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time:
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the associated Common Shares registered in the name of the holder thereof or the nominee of such holder (which Common Share shall also be deemed to represent a Right) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
 - (i) the Rights shall be exercisable; and
 - (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares.

Promptly following the Separation Time, the Corporation will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time, and in respect of each Convertible Security converted into Common Shares after the Separation time and prior to the Expiration time, promptly after such conversion, (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”)) at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

(x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and

(y) a disclosure statement describing the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person and the Corporation may require any Nominee or suspected Nominee to provide such information and documentation as the Corporation may reasonably require for such purpose.

(d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent:

(i) the Rights Certificate evidencing such Rights;

(ii) an election to exercise such Rights (an **“Election to Exercise”**) substantially in the form attached to the Rights Certificate appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and

(iii) payment by certified cheque, banker’s draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.

(e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Clause 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Clause 2.2(d)(iii), the Rights Agent (unless otherwise instructed in writing by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

- (i) if certificates evidencing Common Shares are to be issued, requisition from the transfer agent certificates representing the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
 - (iii) if applicable, after receipt of the certificates referred to in Clause 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder; and
 - (iv) when appropriate, after receipt, deliver the cash referred to in Clause 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
 - (i) take all such action as may be necessary and within its power to ensure that all Common Shares issued upon exercise of Rights shall, at the time of such issuance (subject to payment of the Exercise Price), be duly and validly authorized and issued as fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with the requirements of the Corporation's constating documents, the *Securities Act* (Ontario) and the other applicable securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the stock exchanges on which such Common Shares were traded immediately prior to the Common Share Acquisition Date;
 - (iv) cause to be reserved and kept available out of the authorized and unissued Common Shares, the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;

- (v) pay when due and payable, if applicable, any and all federal, provincial and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or, if applicable, certificates for Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or, if applicable, delivery of certificates for, Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the date of this Agreement:
 - (i) declare or pay a distribution on Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) other than pursuant to any optional stock dividend program;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) in respect of, in lieu of or in exchange for existing Common Shares except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

(x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other securities) (the **"Expansion Factor"**) that a holder of one Common Share immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and

(y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the Common Shares issued in respect of such distribution, subdivision, change, consolidation or issuance, so that each such Common Share (or other securities) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any securities other than Common Shares in a transaction of a type described in Clause 2.3(a)(i) or (iv), such securities shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Subsection 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

(b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or

purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per Common Share) less than the Market Price per Common Share, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and
- (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to the Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 95 per cent of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a Common Share. Notwithstanding the first sentence of this Subsection 2.3(c), any adjustment required by Section 2.3 shall be made no later than the earlier of:
- (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Date.
- (d) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any securities (other than Common Shares), or rights, options or warrants to subscribe for or purchase any such securities, in a transaction referred to in Clause 2.3(a)(i) or (iv), if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsections 2.3(a) and (b) in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a) and (b), and subject to prior approval of the holders of the Common Shares or of Rights, as the case may be, as provided in Section 5.4, such adjustments, rather than the adjustments contemplated by Subsections 2.3(a) and (b), shall be made. Subject to the prior consent of the holders of the Common Shares or the Rights obtained as set forth in Subsection 5.4(b) or (c), the Corporation and the Rights Agent shall have authority to amend this Agreement as appropriate to provide for such adjustments.
- (e) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (f) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.
- (g) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance

to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

- (h) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
- (i) consolidation or subdivision of Common Shares;
 - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
 - (iii) distributions in specie; or
 - (iv) issuance of rights, options or warrants referred to in this Section 2.3,
- hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.
- (i) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon exercise of the Rights is made pursuant to this Section 2.3, the Corporation shall promptly and in any event, where such change or adjustment occurs prior to the Separation Time, not later than the Separation Time:
- (i) file with the Rights Agent and with each transfer agent for the Common Shares a certificate specifying the particulars of such adjustment or change; and
 - (ii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such Common Shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by its Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, or any Vice-President, Secretary or Assistant Secretary. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and disclosure statements describing the Rights, and the Rights Agent shall countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates and disclosure statements to the holders of the Rights pursuant to Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof by the Rights Agent.

2.6 Registration, Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the “Rights Registrar”) for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the

Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times. After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(c), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
 - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (ii) such security or indemnity as may be reasonably required by them to save each of them and any of their agents harmless;then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Right shall mean the registered holder of such Right (or, prior to the Separation Time, of the associated Common Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, and its ordinary business practices, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation upon request.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;

- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Common Shares and upon the sole authority of the Board of Directors, acting in good faith, this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective, as provided herein;
- (g) the Rights Agent shall not be liable to any holder for any failure on the part of the Corporation to perform any of its duties pursuant to the terms of this Agreement; and
- (h) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by a governmental authority, prohibiting or otherwise restraining performance of such obligations.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive distributions or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of

Common Shares or any other securities of the Corporation or any right to vote at any meeting of Shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other securities of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

2.12 Fiduciary Duties of the Directors

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of Common Shares reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to Shareholders that the Board of Directors believe are necessary or appropriate in the exercise of their fiduciary duties.

ARTICLE 3 – ADJUSTMENTS TO THE RIGHTS

3.1 Flip-in Event

- (a) Subject to Subsection 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective at the close of business on the eighth Trading Day after the Common Share Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Common Share Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee of Rights, directly or indirectly, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), where such transferee becomes

a transferee concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), that has the purpose or effect of avoiding Clause 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise.

- (c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Corporation's constating documents, the *Securities Act* (Ontario) and the securities laws or comparable legislation of each of the provinces of Canada and of the United States and each of the states thereof in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.
- (d) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Clause 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Shareholder Rights Plan Agreement.”

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend.

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents (“**Co-Rights Agents**”) as it may deem necessary or desirable, subject to the prior written consent of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine, with the approval of the Rights Agent. The Corporation agrees to pay to the Rights Agent from time to time reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses (including reasonable expenses, advances, counsel fees and disbursements) incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of gross negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors or employees) for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate with respect to the then current officers and directors of the Corporation.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Common Shares and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent, at the expense of the Corporation, may consult with and retain legal counsel (who may be legal counsel for the Corporation) and such other experts as it shall reasonably consider necessary to perform its duties hereunder, and the opinion of such counsel or other expert will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted to be taken by it in good faith and in accordance with such opinion;
- (b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or

established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, or any Vice-President, Secretary or Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;

- (c) the Rights Agent will be liable hereunder only for events which are the result of its own gross negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or, if applicable, in the certificates for Common Shares, or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share (if applicable) or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
- (f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer, or any Vice-President, Secretary or Assistant Secretary of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual;
- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity;
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.; and
- (j) in the event of any disagreement arising regarding the terms of this Agreement, the Rights Agent shall be entitled, at its option, to refuse to comply with any and all demands whatsoever until the dispute is settled either by written agreement amongst the parties to this Agreement or by a court of competent jurisdiction.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent, at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation

or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in one or more of the Provinces of Canada. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receiving from the Corporation payment in full of all amounts outstanding under this Agreement, shall deliver and transfer to the successor rights agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. The cost of giving any notice required under this Section 4.4 shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' prior written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

4.6 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "Privacy Laws") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. No provision contained in this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement. Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Corporation to the Rights Agent under this Agreement in the 12 months immediately prior to the Rights Agent receiving the first notice of the claim.

ARTICLE 5 – MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors acting in good faith may, until the occurrence of a Flip-in Event, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a particular Flip-in Event that would result from a Take-over Bid made by way of take-over bid circular to all holders of record of Common Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1(h)); provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(a), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of record of Common Shares prior to the expiry of any Take-over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been, granted under this Subsection 5.1(a).
- (b) Subject to the prior consent of the holders of the Common Shares or the Rights obtained as set forth in Subsection 5.4(b) or (c), the Board of Directors acting in good faith may, at its option, at any time prior to the provisions of Section 3.1 becoming applicable as a result of the occurrence of a Flip-in Event, elect to redeem all but not less than all of the outstanding Rights at a redemption price of \$0.001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the **“Redemption Price”**).
- (c) The Rights will become void and be of no further effect, without any further formality, on the date that a Person who has made a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Subsection 5.1(a) takes up and pays for the Common Shares pursuant to the Permitted Bid, Competing Permitted Bid or Exempt Acquisition, as applicable.

- (d) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- (e) If the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under either of Subsection 5.1(b) or (d), to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (f) Within 10 days after the Board of Directors is deemed under Subsection 5.1(c) to have elected, or elects under Subsection 5.1(b) or (d), to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made and will state that no payment will be made to holders entitled to less than \$10.00 in accordance with Subsection 5.1(i)
- (g) Upon the Rights being redeemed pursuant to Subsection 5.1(d), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred.
- (h) The Board of Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined within eight Trading Days following a Common Share Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Common Share Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1(h) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “**Disposition Date**”), has reduced its Beneficial Ownership of Common Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Common Share Acquisition Date and Section 3.1 shall apply thereto.

- (i) The Corporation shall not be obligated to make a payment of the Redemption Price to any holder of Rights unless such holder is entitled to receive at least \$10.00 in respect of all of the Rights held by such holder.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Subsection 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or, subject to Subsection 5.4(e), which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. The Corporation may, prior to the first annual meeting of the shareholders of the Corporation following the Effective Date, supplement or amend this Agreement without the approval of any holders of Rights or Common Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable provided that any such change if material, as determined by the Board of Directors shall, in accordance with Exchange policy, be ratified by holders of Common Shares not later than six (6) months following such material change. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Common Shares obtained as set forth below, at any time prior to the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Common Shares duly called and held in compliance with applicable laws.

- (c) The Corporation may, with the prior consent of the holders of Rights, at any time on or after the Common Share Acquisition Date, amend, vary or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders and representing 50% plus one of the votes cast in respect thereof.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the by-laws of the Corporation with respect to meetings of Shareholders.
- (e) Any amendments made by the Corporation to this Agreement pursuant to Subsection 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder shall:
 - (i) if made before the Separation Time, be submitted to the Shareholders at the next meeting of Shareholders and the Shareholders may, by the majority referred to in Subsection 5.4(b), confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of Shareholders and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the Shareholders or the holders of Rights or is not submitted to the Shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the

Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the Shareholders or holders of Rights as the case may be.

- (f) The Corporation shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to this section 5.4 within five (5) Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Common Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Corporation shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Subsection 3.1(b), at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right.
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.
- (c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Common Shares pursuant to paragraph (a) or (b), respectively, unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Common Shares, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights and in this Agreement. Without limiting the

foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of the Neo Exchange Inc. and other exchanges shall be obtained, such as to the issuance of Common Shares upon the exercise of Rights under Subsection 2.2(d).

5.8 Declaration as to Non-Canadian or Non-U.S. Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Cybin Inc.
100 King Street West, Suite 5600
Toronto, Ontario M5X 1C9.

Attention: Doug Drysdale
Email: doug@cybin.com

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Odyssey Trust Company
67 Yonge Street, Suite 702
Toronto, ON M5E 1J8

Attention: Client Services
Email: clients@odysseytrust.com

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of sending of the same by facsimile or other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date, Expiration Time

Upon being confirmed and approved as provided in Section 5.16, this Agreement shall be effective and in full force and effect in accordance with its terms from and after the Effective Date. Pending such confirmation and approval only the provisions of this Section 5.15 and Sections 5.4, 5.16, 5.17 and 5.19 and defined terms referred to in any of such Sections shall be effective and in full force and effect.

5.16 Confirmation and Approval

This Agreement shall be effective as of and from the Effective Date. This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50 percent of the votes cast by all holders of Common Shares who vote in respect of such reconfirmation at every third annual meeting following the Effective Date (each such annual meeting being a “**Reconfirmation Meeting**”). If the Agreement is not so reconfirmed and approved or reconfirmed, as the case may be, or is not presented for reconfirmation and approval or reconfirmation at such Reconfirmation Meeting, the Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the Reconfirmation Meeting; provided that in the case of any such annual meeting, termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Subsection 5.1(a) or (h) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.16.

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, for the purposes hereof shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

5.18 Time of the Essence

Time shall be of the essence in this Agreement.

5.19 Execution in Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

5.20 Limited Recourse

Notwithstanding any other provision herein, it is hereby acknowledged and agreed that no obligations or liabilities, whether actual or contingent, of the Corporation are personally binding upon, and neither resort nor recourse shall be had to, nor shall satisfaction be sought from, the private property of any kind whatsoever (including, without limitation, any private property consisting of or arising from a distribution by the Corporation of any nature) of any of the directors of the Corporation, any registered or beneficial holder of securities (including Common Shares) of the Corporation or any annuitant under a plan of which a holder of securities (including Common Shares) of the Corporation acts as trustee or carrier, or any officers, employees or agents of the Corporation, and it is hereby further acknowledged and agreed that all obligations and liabilities of the Corporation shall be satisfied only out of and recourse shall be limited exclusively to the property and assets of the Corporation.

5.21 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent ou qui en découlent soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto or resulting therefrom be drawn up in English.

[Remainder of page intentionally left blank]

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

CYBIN INC.

Per: _____
Doug Drysdale
Chief Executive Officer

ODYSSEY TRUST COMPANY

Per: _____
Name:
Authorized Signatory

Per: _____
Name:
Authorized Signatory

ATTACHMENT 1

CYBIN INC.

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No. _____

Rights _____

THE RIGHTS ARE SUBJECT TO TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.

Rights Certificate

This certifies that _____, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of [●], 2021, as the same may be amended, supplemented and/or restated from time to time (the **“Shareholder Rights Agreement”**), between Cybin Inc., a corporation existing under the laws of the Province of Ontario (the **“Corporation”**) and Odyssey Trust Company, a trust company incorporated under the laws of Alberta (the **“Rights Agent”**) (which term shall include any successor rights agent under the Shareholder Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Shareholder Rights Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Agreement), one fully paid Common Share in the capital of the Corporation (a **“Common Share”**) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal transfer agent office in Toronto, Ontario. The Exercise Price shall be an amount equal to three times the Market Price per Right and shall be subject to adjustment in certain events as provided in the Shareholder Rights Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Shareholder Rights Agreement are on file at the registered office of the Corporation.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a Shareholder or any right to vote for the election of directors or upon any matter submitted to Shareholders at any meeting thereof, or to give or withhold consent to any action by the Corporation, or to receive notice of meetings or other actions affecting Shareholders (except as provided in the Shareholder Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Date: _____

CYBIN INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Countersigned:

ODYSSEY TRUST COMPANY

By: _____
Authorized Signature

Date of countersignature: _____

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee.)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____, as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

CERTIFICATE

(To be completed if true)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

Signature

(To be attached to each Rights Certificate.)
FORM OF ELECTION TO EXERCISE

(To be exercised by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: _____

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

(Name)

(Address)

(City and Province)

Social Insurance Number or other taxpayer identification number.

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Address)

(City and Province)

Social Insurance Number or other taxpayer identification number.

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a Canadian trust company, a member of a recognized stock exchange or a member of the Securities Transfer Association Medallion Program (STAMP).

CERTIFICATE

(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

Signature

(To be attached to each Rights Certificate.)

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof. No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.



To the United States Securities and Exchange Commission

We consent to the incorporation by reference in the Registration Statement on Form F-10 (the “Form F-10”) of Cybin Inc. (the “Company”) being filed with the United States Securities and Exchange Commission, and any amendments thereto, of:

- our report, dated June 24, 2021, on the consolidated statements of financial position of the Company as of March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity and cash flows for the year ended March 31, 2021 and for the period from incorporation October 22, 2019 to March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies; and
- our report, dated December 23, 2020 on the statement of financial position of Adelia Therapeutics Inc. as at November 30, 2020, and the statements of loss and comprehensive loss, changes in shareholders’ equity (deficiency) and cash flows for the period from incorporation April 16, 2020 to November 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

We also consent to the reference to us under the caption “Auditor, Transfer Agent and Registrar” in the short-form base shelf prospectus contained in the Form F-10.

October 1, 2021
Toronto, Ontario

/s/ Zeifmans LLP

Chartered Professional Accountants
Licensed Public Accountants

201 Bridgeland Avenue | Toronto
Ontario | M6A 1Y7 | Canada

zeifmans.ca
T: 416.256.4000

Zeifmans LLP is a member of Nexia International,
a worldwide network of independent accounting
and consulting firms.



CYBIN INC.
as Issuer

and

[]
as U.S. Trustee

and

[]
as Canadian Trustee

Indenture

Dated as of []

ARTICLE ONE DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	1
SECTION 1.01	Definitions
SECTION 1.02	Rules of Construction
SECTION 1.03	Compliance Certificates and Opinions
SECTION 1.04	Form of Documents Delivered to Trustees
SECTION 1.05	Acts of Holders
SECTION 1.06	Notices, Etc. to Trustees and Company
SECTION 1.07	Notice to Holders; Waiver
SECTION 1.08	Effect of Headings and Table of Contents
SECTION 1.09	Successors and Assigns
SECTION 1.10	Severability Clause
SECTION 1.11	Benefits of Indenture
SECTION 1.12	Governing Law
SECTION 1.13	Legal Holidays
SECTION 1.14	Agent for Service; Submission to Jurisdiction; Waiver of Immunities
SECTION 1.15	Conversion of Judgment Currency
SECTION 1.16	Currency Equivalent
SECTION 1.17	Conflict with Trust Indenture Legislation
SECTION 1.18	Incorporators, Shareholders, Officers and Directors of the Company Exempt from Individual Liability
SECTION 1.19	Waiver of Jury Trial
SECTION 1.20	Counterparts
SECTION 1.21	Force Majeure
ARTICLE TWO SECURITIES FORMS	18
SECTION 2.01	Forms Generally
SECTION 2.02	Form of Trustee's Certificate of Authentication
SECTION 2.03	Securities Issuable in Global Form
ARTICLE THREE THE SECURITIES	20
SECTION 3.01	Issuable in Series
SECTION 3.02	Denominations
SECTION 3.03	Execution, Authentication, Delivery and Dating
SECTION 3.04	Temporary Securities
SECTION 3.05	Registration, Registration of Transfer and Exchange
SECTION 3.06	Mutilated, Destroyed, Lost and Stolen Securities
SECTION 3.07	Payment of Principal, Premium and Interest; Interest Rights Preserved; Optional Interest Reset
SECTION 3.08	Optional Extension of Stated Maturity
SECTION 3.09	Persons Deemed Owners
SECTION 3.10	Cancellation
SECTION 3.11	Computation of Interest

SECTION 3.12	Currency and Manner of Payments in Respect of Securities	35
SECTION 3.13	Appointment and Resignation of Successor Exchange Rate Agent	38
ARTICLE FOUR SATISFACTION AND DISCHARGE		39
SECTION 4.01	Satisfaction and Discharge of Indenture	39
SECTION 4.02	Application of Trust Money	40
ARTICLE FIVE REMEDIES		40
SECTION 5.01	Events of Default	40
SECTION 5.02	Acceleration of Maturity; Rescission and Annulment	41
SECTION 5.03	Collection of Debt and Suits for Enforcement by Trustees	42
SECTION 5.04	Trustees May File Proofs of Claim	43
SECTION 5.05	Trustees May Enforce Claims Without Possession of Securities	43
SECTION 5.06	Application of Money Collected	44
SECTION 5.07	Limitation on Suits	44
SECTION 5.08	Unconditional Right of Holders to Receive Principal, Premium and Interest	45
SECTION 5.09	Restoration of Rights and Remedies	45
SECTION 5.10	Rights and Remedies Cumulative	45
SECTION 5.11	Delay or Omission Not Waiver	45
SECTION 5.12	Control by Holders	46
SECTION 5.13	Waiver of Past Defaults	46
SECTION 5.14	Waiver of Stay or Extension Laws	46
SECTION 5.15	Undertaking for Costs	47
ARTICLE SIX THE TRUSTEES		47
SECTION 6.01	Notice of Defaults	47
SECTION 6.02	Certain Duties and Responsibilities of Trustees	47
SECTION 6.03	Certain Rights of Trustees	48
SECTION 6.04	Trustees Not Responsible for Recitals or Issuance of Securities	49
SECTION 6.05	May Hold Securities	50
SECTION 6.06	Money Held in Trust	50
SECTION 6.07	Compensation and Reimbursement	50
SECTION 6.08	Corporate Trustees Required; Eligibility	51
SECTION 6.09	Resignation and Removal; Appointment of Successor	52
SECTION 6.10	Acceptance of Appointment by Successor	53
SECTION 6.11	Merger, Conversion, Consolidation or Succession to Business	54
SECTION 6.12	Appointment of Authenticating Agent	54
SECTION 6.13	Joint Trustees	56
SECTION 6.14	Other Rights of Trustees	57
ARTICLE SEVEN HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY		58
SECTION 7.01	Company to Furnish Trustees Names and Addresses of Holders	58
SECTION 7.02	Preservation of List of Names and Addresses of Holders	58
SECTION 7.03	Disclosure of Names and Addresses of Holders	58

SECTION 7.04	Reports by Trustees	58
SECTION 7.05	Reports by the Company	59
ARTICLE EIGHT CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE		59
SECTION 8.01	Company May Consolidate, etc., only on Certain Terms	59
SECTION 8.02	Successor Person Substituted	60
ARTICLE NINE SUPPLEMENTAL INDENTURES		61
SECTION 9.01	Supplemental Indentures Without Consent of Holders	61
SECTION 9.02	Supplemental Indentures with Consent of Holders	62
SECTION 9.03	Execution of Supplemental Indentures	63
SECTION 9.04	Effect of Supplemental Indentures	63
SECTION 9.05	Conformity with Trust Indenture Legislation	64
SECTION 9.06	Reference in Securities to Supplemental Indentures	64
SECTION 9.07	Notice of Supplemental Indentures	64
ARTICLE TEN COVENANTS		64
SECTION 10.01	Payment of Principal, Premium and Interest	64
SECTION 10.02	Maintenance of Office or Agency	64
SECTION 10.03	Money for Securities Payments to Be Held in Trust	66
SECTION 10.04	Statement as to Compliance	67
SECTION 10.05	Payment of Taxes and Other Claims	67
SECTION 10.06	Corporate Existence	67
SECTION 10.07	Waiver of Certain Covenants	67
ARTICLE ELEVEN REDEMPTION OF SECURITIES		68
SECTION 11.01	Applicability of Article	68
SECTION 11.02	Election to Redeem; Notice to Trustees	68
SECTION 11.03	Selection by Trustees of Securities to Be Redeemed	68
SECTION 11.04	Notice of Redemption	68
SECTION 11.05	Deposit of Redemption Price	69
SECTION 11.06	Securities Payable on Redemption Date	70
SECTION 11.07	Securities Redeemed in Part	70
ARTICLE TWELVE SINKING FUNDS		71
SECTION 12.01	Applicability of Article	71
SECTION 12.02	Satisfaction of Sinking Fund Payments with Securities	71
SECTION 12.03	Redemption of Securities for Sinking Fund	71
ARTICLE THIRTEEN REPAYMENT AT OPTION OF HOLDERS		72
SECTION 13.01	Applicability of Article	72
SECTION 13.02	Repayment of Securities	72
SECTION 13.03	Exercise of Option	73
SECTION 13.04	When Securities Presented for Repayment Become Due and Payable	73
SECTION 13.05	Securities Repaid in Part	74

ARTICLE FOURTEEN DEFEASANCE AND COVENANT DEFEASANCE	74
SECTION 14.01 Company’s Option to Effect Defeasance or Covenant Defeasance	74
SECTION 14.02 Defeasance and Discharge	74
SECTION 14.03 Covenant Defeasance	75
SECTION 14.04 Conditions to Defeasance or Covenant Defeasance	75
SECTION 14.05 Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions	77
SECTION 14.06 Reinstatement	78
ARTICLE FIFTEEN MEETINGS OF HOLDERS OF SECURITIES	78
SECTION 15.01 Purposes for Which Meetings May Be Called	78
SECTION 15.02 Call, Notice and Place of Meetings	78
SECTION 15.03 Persons Entitled to Vote at Meetings	78
SECTION 15.04 Quorum; Action	79
SECTION 15.05 Determination of Voting Rights; Conduct and Adjournment of Meetings	80
SECTION 15.06 Counting Votes and Recording Action of Meetings	80

CROSS-REFERENCE TABLE

TIA <u>Section</u>	Indenture <u>Section</u>
310 (a)	6.08(1)
(b)	6.09
(c)	Not Applicable
311 (a)	6.05
(b)	6.05
(c)	Not Applicable
312 (a)	7.05
(b)	7.03
(c)	7.03
313 (a)	7.04
(b)	7.04
(c)	7.04
(d)	7.05
314 (a)	7.05
(a)(4)	10.04
(b)	Not Applicable
(c)(1)	1.01
(c)(2)	1.01
(d)	Not Applicable
(e)	1.01
(f)	Not Applicable
315 (a)	6.02
(b)	6.01
(c)	6.02
(d)	6.02
(e)	5.15
316 (a)(last sentence)	1.02 (“Outstanding”)
(a)(1)(A)	5.12
(a)(1)(B)	5.02, 5.13
(a)(2)	Not Applicable
(b)	5.08
(c)	1.04(e)
317 (a)(1)	5.03
(a)(2)	5.04
(b)	10.03
318 (a)	1.16

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of _____, among CYBIN INC., a corporation duly continued and existing under the laws of Ontario, Canada (herein called the “**Company**”), having its principal office at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, and _____, a _____, organized under the laws of _____, as U.S. trustee (herein called the “**U.S. Trustee**”), and _____, a _____, organized under the laws of _____, as Canadian trustee (the “**Canadian Trustee**” and, together with the U.S. Trustee, the “**Trustees**”).

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its debentures, notes, bonds or other evidences of indebtedness (herein called the “**Securities**”), which may be convertible into or exchangeable for any securities of any Person (including the Company), to be issued in one or more series as in this Indenture provided.

This Indenture is subject to the provisions of Trust Indenture Legislation that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions.

“**Act**,” when used with respect to any Holder, has the meaning specified in Section 1.04.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Authenticating Agent**” means any Person authorized by the applicable Trustee pursuant to Section 6.12 to act on behalf of such Trustee to authenticate Securities.

“**Authorized Newspaper**” means a newspaper, in the English language or in an official language of the country of publication, customarily published on each Business Day, and of general circulation in each place in connection with which the term is used or in the financial community of each such place. Where successive publications are required to be made in Authorized Newspapers, the successive publications may be made in the same or in different newspapers in the same city meeting the foregoing requirements and in each case on any Business Day.

“Base Currency” has the meaning specified in Section 1.14.

“Bearer Security” means any Security except a Registered Security.

“Board of Directors” means the board of directors of the Company or any duly authorized committee thereof.

“Board Resolution” means a copy of a resolution certified by the Corporate Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustees.

“Business Day,” when used with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, any day other than Saturday, Sunday or any other day on which commercial banking institutions in that Place of Payment or other location are permitted or required by any applicable law, regulation or executive order to close.

“calculation period” has the meaning specified in Section 3.11.

“Canadian Trustee” means the Person named as the “Canadian Trustee” in the first paragraph of this Indenture until a successor Canadian Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Canadian Trustee” shall mean or include each Person who is then a Canadian Trustee hereunder; *provided, however*, that if at any time there is more than one such Person, “Canadian Trustee” as used with respect to the Securities of any series shall mean only the Canadian Trustee with respect to Securities of that series.

“Commission” means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Common Depository” has the meaning specified in Section 3.04.

“Company” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request” or **“Company Order”** means a written request or order signed in the name of the Company by an Officer and delivered to the Trustees.

“Component Currency” has the meaning specified in Section 3.12(h).

“Conversion Date” has the meaning specified in Section 3.12(d).

“Conversion Event” means the cessation of use of (i) a Foreign Currency (other than the Euro or other Currency unit) both by the government of the country which issued such Currency and by a central bank or other public institution of or within the international banking community for the settlement of transactions, (ii) the Euro or (iii) any currency unit (or composite currency) other than the Euro for the purposes for which it was established.

“**Corporate Trust Office**” means the principal corporate trust office of the U.S. Trustee or the Canadian Trustee, as applicable, at which at any particular time its corporate trust business may be administered, such an office on the date of execution of this Indenture of the U.S. Trustee is located at _____, Attention: _____, and of the Canadian Trustee is located at _____, Attention: _____, except that with respect to presentation of Securities for payment or for registration of transfer or exchange, such term shall mean the office or agency of the U.S. Trustee or the Canadian Trustee, as applicable, designated in writing to the Company at which, at any particular time, its corporate agency business shall be conducted.

“**coupon**” means any interest coupon appertaining to a Bearer Security.

“**covenant defeasance**” has the meaning specified in Section 14.03.

“**Currency**” means any currency or currencies, composite currency or currency unit or currency units, including, without limitation, the Euro, issued by the government of one or more countries or by any recognized confederation or association of such governments.

“**Default**” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“**Defaulted Interest**” has the meaning specified in Section 3.07.

“**defeasance**” has the meaning specified in Section 14.02.

“**Depository**” means, with respect to the Securities of any series issuable or issued in the form of one or more Registered Securities, the Person designated as Depository by the Company pursuant to Section 3.05 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean or include each Person who is then a Depository hereunder, and, if at any time there is more than one such Person, “Depository” as used with respect to the Securities of any such series shall mean the Depository with respect to the Registered Securities of that series.

“**Dollar**” or “**\$**” means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

“**Dollar Equivalent of the Currency Unit**” has the meaning specified in Section 3.12(g).

“**Dollar Equivalent of the Foreign Currency**” has the meaning specified in Section 3.12(f).

“**Election Date**” has the meaning specified in Section 3.12(h).

“**Euro**” means the single currency of the participating member states from time to time of the European Union described in legislation of the European Council for the operation of a single unified European currency (whether known as the Euro or otherwise).

“**Event of Default**” has the meaning specified in Section 5.01.

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

“**Exchange Date**” has the meaning specified in Section 3.04.

“Exchange Rate Agent” means, with respect to Securities of or within any series, unless otherwise specified with respect to any Securities pursuant to Section 3.01, a New York clearing house bank, designated pursuant to Section 3.01 or Section 3.13.

“Exchange Rate Officer’s Certificate” means a tested telex or a certificate setting forth (i) the applicable Market Exchange Rate and (ii) the Dollar or Foreign Currency amounts of principal, premium (if any) and interest (if any) (on an aggregate basis and on the basis of a Security having the lowest denomination principal amount determined in accordance with Section 3.02 in the relevant Currency), payable with respect to a Security of any series on the basis of such Market Exchange Rate, sent (in the case of a telex) or signed (in the case of a certificate) by the Chief Executive Officer, President or Chief Financial Officer of the Company.

“Extension Notice” has the meaning specified in Section 3.08.

“Extension Period” has the meaning specified in Section 3.08.

“Final Maturity” has the meaning specified in Section 3.08.

“First Currency” has the meaning specified in Section 1.15.

“Foreign Currency” means any Currency other than Currency of the United States.

“GAAP” means generally accepted accounting principles in Canada in effect from time to time, unless the Person’s most recent audited or quarterly financial statements are not prepared in accordance with generally accepted accounting principles in Canada, in which case “GAAP” shall mean generally accepted accounting principles in the United States in effect from time to time.

“Government Obligations” means, unless otherwise specified with respect to any series of Securities pursuant to Section 3.01, securities which are (i) direct obligations of the government which issued the Currency in which the Securities of a particular series are payable or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the government which issued the Currency in which the Securities of such series are payable, the payment of which is unconditionally guaranteed by such government, which, in either case, are full faith and credit obligations of such government payable in such Currency and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided that* (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest or principal of the Government Obligation evidenced by such depository receipt.

“Holder” means, in the case of a Registered Security, the Person in whose name a Security is registered in the Security Register and, in the case of a Bearer Security, the bearer thereof and, when used with respect to any coupon, shall mean the bearer thereof.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular series of Securities established as contemplated by Section 3.01; *provided, however*, that, if at any time more than one Person is acting as Trustee under this instrument, “Indenture” shall mean, with respect to any one or more series of Securities

for which such Person is Trustee, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of the particular series of Securities for which such Person is Trustee established as contemplated by Section 3.01, exclusive, however, of any provisions or terms which relate solely to other series of Securities for which such Person is not Trustee, regardless of when such terms or provisions were adopted, and exclusive of any provisions or terms adopted by means of one or more indentures supplemental hereto executed and delivered after such Person had become such Trustee but to which such Person, as such Trustee, was not a party.

“Indexed Security” means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

“interest,” when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity at the rate prescribed in such Original Issue Discount Security.

“Interest Payment Date,” when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“Judgment Currency” has the meaning specified in Section 1.14.

“Lien” means any mortgage, pledge, hypothecation, charge, assignment, deposit arrangement, encumbrance, security interest, lien (statutory or other), or preference, priority or other security or similar agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any agreement to give or grant a Lien or any lease, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“mandatory sinking fund payment” has the meaning specified in Section 12.01.

“Market Exchange Rate” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, (i) for any conversion involving a Currency unit on the one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant Currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 3.01 for the Securities of the relevant series, (ii) for any conversion of Dollars into any Foreign Currency, the noon (New York City time) buying rate for such Foreign Currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in New York City, Toronto, London or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the Exchange Rate Agent. Unless otherwise specified with respect to any Securities pursuant to Section 3.01, in the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii), the Exchange Rate Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, Toronto, London or another principal market for the Currency in question, or such other quotations as the Exchange Rate Agent shall deem appropriate. Unless otherwise specified by the Exchange Rate Agent, if there is more than one market for dealing in any Currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such Currency shall be that upon which a non-resident issuer of securities designated in such Currency would purchase such Currency in order to make payments in respect of such securities.

“Maturity,” when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise.

“Notice of Default” has the meaning specified in Section 6.01.

“Officer” means the Chair of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Operating Officer, any Executive Vice President, any Vice President, the Treasurer or the Corporate Secretary of the Company or, in the event that the Company is a partnership or a limited liability company that has no such officers, a person duly authorized under applicable law by the general partner, managers, members or a similar body to act on behalf of the Company.

“Officer’s Certificate” means a certificate, which shall comply with this Indenture, signed by an Officer and delivered to the Trustees.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Company, including an employee of the Company, who shall be acceptable to the Trustees, which opinion may contain customary exceptions and qualifications as to the matters set forth therein.

“Optional Reset Date” has the meaning specified in Section 3.07.

“optional sinking fund payment” has the meaning specified in Section 12.01.

“Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02.

“Original Stated Maturity” has the meaning specified in Section 3.08.

“Outstanding,” when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (i) Securities theretofore cancelled by either Trustee or delivered to either Trustee for cancellation;
- (ii) Securities, or portions thereof, for whose payment or redemption or repayment at the option of the Holder, money in the necessary amount has been theretofore deposited with either Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities and any coupons appertaining thereto; *provided* that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustees has been made;

- (iii) Securities, except to the extent provided in Section 14.02 and Section 14.03, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article Fourteen; and
- (iv) Securities which have been paid pursuant to Section 3.06 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustees proof satisfactory to them that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder or are present at a meeting of Holders for quorum purposes, and for the purpose of making the calculations required by TIA Section 313, (i) the principal amount of an Original Issue Discount Security that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 5.02, (ii) the principal amount of any Security denominated in a Foreign Currency that may be counted in making such determination or calculation and that shall be deemed Outstanding for such purpose shall be equal to the Dollar equivalent, determined as of the date such Security is originally issued by the Company as set forth in an Exchange Rate Officer's Certificate delivered to the Trustees, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent as of such date of original issuance of the amount determined as provided in clause (i) above) of such Security, (iii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 3.01, and (iv) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustees shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustees know to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustees the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

"Paying Agent" means any Person (including the Company acting as Paying Agent) authorized by the Company to pay the principal of, premium (if any) or interest (if any) on any Securities on behalf of the Company. Such Person must be capable of making payment in the Currency of the issued Security.

"Person" means any individual, corporation, body corporate, partnership, limited partnership, limited liability partnership, joint venture, limited liability company, unlimited liability company, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Place of Payment" means, when used with respect to the Securities of or within any series, each place where the principal of, premium (if any) and interest (if any) on such Securities are payable as specified as contemplated by Sections 3.01 and 10.02.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this

definition, any Security authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security or a Security to which a mutilated, destroyed, lost or stolen coupon appertains shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security or the Security to which the mutilated, destroyed, lost or stolen coupon appertains, as the case may be.

“**Privacy Laws**” has the meaning specified in Section 6.14.

“**rate(s) of exchange**” has the meaning specified in Section 1.14.

“**Redemption Date**,” when used with respect to any Security to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

“**Redemption Price**,” when used with respect to any Security to be redeemed, in whole or in part, means the price at which it is to be redeemed pursuant to this Indenture, plus accrued and unpaid interest thereon to the Redemption Date.

“**Registered Security**” means any Security registered in the Security Register.

“**Regular Record Date**” for the interest payable on any Interest Payment Date on the Registered Securities of or within any series means the date specified for that purpose as contemplated by Section 3.01.

“**Repayment Date**” means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment pursuant to this Indenture.

“**Reset Notice**” has the meaning specified in Section 3.07.

“**Responsible Officer**,” when used with respect to a Trustee, means any vice president, secretary, any assistant secretary, treasurer, any assistant treasurer, any senior trust officer, any trust officer, the controller within the corporate trust administration division of a Trustee or any other officer of a Trustee customarily performing functions similar to those performed by any of the above-designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“**Securities**” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture; *provided, however*, that if at any time there is more than one Person acting as Trustee under this Indenture, “Securities” with respect to the Indenture as to which such Person is Trustee shall have the meaning stated in the first recital of this Indenture and shall more particularly mean Securities authenticated and delivered under this Indenture, exclusive, however, of Securities of any series as to which such Person is not Trustee.

“**Security Register**” and “**Security Registrar**” have the respective meanings specified in Section 3.05.

“**Special Record Date**” for the payment of any Defaulted Interest on the Registered Securities of or within any series means a date fixed by the Trustees pursuant to Section 3.07.

“**Specified Amount**” has the meaning specified in Section 3.12(h).

“Stated Maturity,” when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security or a coupon representing such installment of interest as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable, as such date may be extended pursuant to the provisions of Section 3.08 (if applicable).

“Subsequent Interest Period” has the meaning specified in Section 3.07.

“Trust Indenture Act” or **“TIA”** means the United States Trust Indenture Act of 1939, as amended, as in force at the date as of which this Indenture was executed, except as provided in Section 9.05.

“Trust Indenture Legislation” means, at any time, the provisions of (i) any applicable statute of Canada or any province or territory thereof and the regulations thereunder as amended or re-enacted from time to time, but only to the extent applicable, or (iii) the Trust Indenture Act and regulations thereunder, in each case, relating to trust indentures and to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are at such time in force and applicable to this Indenture or the Company or the Trustees.

“Trustee” or **“Trustees”** means the U.S. Trustee and the Canadian Trustee. If a Canadian Trustee is not appointed under this Indenture, or resigns or is removed and, pursuant to Section 6.09, the Company is not required to appoint a successor Trustee to the Canadian Trustee, **“Trustee,”** **“Trustees”** and any reference to **“either Trustee,”** **“both of the Trustees”** or such similar references shall mean the Person named as the U.S. Trustee or any successor thereto appointed pursuant to the applicable provisions of this Indenture. Except to the extent otherwise indicated, **“Trustees”** shall refer to the Canadian Trustee (if appointed and still serving) and the U.S. Trustee, both jointly and individually.

“U.S. Federal Bankruptcy Code” means the Bankruptcy Act of Title 11 of the United States Code, as amended from time to time.

“U.S. Trustee” means the Person named as the **“U.S. Trustee”** in the first paragraph of this Indenture until a successor U.S. Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter **“U.S. Trustee”** shall mean or include each Person who is then a U.S. Trustee hereunder; *provided, however,* that if at any time there is more than one such Person, **“U.S. Trustee”** as used with respect to the Securities of any series shall mean only the U.S. Trustee with respect to Securities of that series.

“United States” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“United States person” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, an individual who is a citizen or resident of the United States, a corporation, partnership (including any entity treated as a corporation or as a partnership for United States federal income tax purposes) or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if (A) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (B) it has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person.

“Valuation Date” has the meaning specified in Section 3.12(c).

“Writing” has the meaning specified in Section 6.13.

“Yield to Maturity” means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

SECTION 1.02 Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Indenture have the meanings assigned to them herein and include the plural as well as the singular;
- (2) all terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein, and the terms “cash transaction” and “self-liquidating paper,” as used in TIA Section 319, shall have the meanings assigned to them in the rules of the Commission adopted under the Trust Indenture Act;
- (3) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (4) “or” is not exclusive;
- (5) words implying any gender shall apply to all genders;
- (6) the words Subsection, Section and Article refer to the Subsections, Sections and Articles, respectively, of this Indenture unless otherwise noted; and
- (7) “include,” “includes” or “including” means include, includes or including, in each case, without limitation.

SECTION 1.03 Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustees to take any action under any provision of this Indenture, the Company shall furnish to the Trustees an Officer’s Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 10.04) shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such covenant or condition has been complied with.

SECTION 1.04 Form of Documents Delivered to Trustees.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons may certify or give an opinion with respect to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, a certificate of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Any certificate or opinion of an officer of the Company or counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company, unless such officer or counsel, as the case may be, knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the accounting matters upon which such certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustees shall contain a statement that such firm is independent.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Outstanding Securities of all series or one or more series, as the case may be, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. If Securities of a series are issuable as Bearer Securities, any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of such series may, alternatively, be embodied in and evidenced by the record of Holders of Securities of such series voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of

Holders of Securities of such series duly called and held in accordance with the provisions of Article Fifteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustees and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “**Act**” of the Holders signing such instrument or instruments or so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustees and the Company, if made in the manner provided in this Section 1.05. The record of any meeting of Holders of Securities shall be proved in the manner provided in Section 15.06.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustees deem sufficient.

(c) The principal amount and serial numbers of Registered Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) The principal amount and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may be proved by the production of such Bearer Securities or by a certificate executed, as depositary, by any trust company, bank, banker or other depositary, wherever situated, if such certificate shall be deemed by the Trustees to be satisfactory, showing that at the date therein mentioned such Person had on deposit with such depositary, or exhibited to it, the Bearer Securities therein described; or such facts may be proved by the certificate or affidavit of the Person holding such Bearer Securities, if such certificate or affidavit is deemed by the Trustees to be satisfactory. The Trustees and the Company may assume that such ownership of any Bearer Security continues until (1) another certificate or affidavit bearing a later date issued in respect of the same Bearer Security is produced, or (2) such Bearer Security is produced to the Trustees by some other Person, or (3) such Bearer Security is surrendered in exchange for a Registered Security, or (4) such Bearer Security is no longer Outstanding. The principal amount and serial numbers of Bearer Securities held by any Person, and the date of holding the same, may also be proved in any other manner that the Trustees deem sufficient.

(e) If the Company shall solicit from the Holders of Registered Securities any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Legislation, including TIA Section 316(c), such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not earlier than the date 30 days prior to the first solicitation of Holders generally in connection therewith and not later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Securities have authorized or agreed or consented to such request,

demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than eleven months after the record date.

(f) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustees or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 1.06 Notices, Etc. to Trustees and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

- (1) the U.S. Trustee, by the Canadian Trustee, any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the U.S. Trustee at its Corporate Trust Office, Attention: _____, or _____
- (2) the Canadian Trustee, by the U.S. Trustee, any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Canadian Trustee at its Corporate Trust Office, Attention: _____, or _____
- (3) the Company by either Trustee or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or sent by overnight courier, to the Company at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Attention: Corporate Secretary or such other address and/or officer as the Company may designate on written notice to the Trustees.

SECTION 1.07 Notice to Holders; Waiver.

Where this Indenture provides for notice of any event to Holders of Registered Securities by the Company or the Trustees, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each such Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders of Registered Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of Registered Securities or the sufficiency of any notice to Holders of Bearer Securities given as provided. Any notice mailed to a Holder in the manner herein prescribed shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impractical to mail notice of any event to Holders of Registered Securities when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustees shall be deemed to be sufficient giving of such notice for every purpose hereunder.

Except as otherwise expressly provided herein or otherwise specified with respect to any Securities pursuant to Section 3.01, where this Indenture provides for notice to Holders of Bearer Securities of any event, such notice shall be sufficiently given to Holders of Bearer Securities if published in an Authorized Newspaper in The City of New York and in such other city or cities as may be specified in such Securities on a Business Day at least twice, the first such publication to be not earlier than the earliest date, and not later than the latest date, prescribed for the giving of such notice. Any such notice shall be deemed to have been given on the date of the first such publication.

In case, by reason of the suspension of publication of any Authorized Newspaper or Authorized Newspapers or by reason of any other cause, it shall be impracticable to publish any notice to Holders of Bearer Securities as provided above, then such notification to Holders of Bearer Securities as shall be satisfactory to the Trustees shall be deemed to be sufficient giving of such notice for every purpose hereunder. Neither the failure to give notice by publication to Holders of Bearer Securities as provided above, nor any defect in any notice so published, shall affect the sufficiency of such notice with respect to other Holders of Bearer Securities or the sufficiency of any notice to Holders of Registered Securities given as provided herein.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustees, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.08 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09 Successors and Assigns.

All covenants and agreements in this Indenture by the Company and the Trustees shall bind their successors and assigns, whether so expressed or not.

SECTION 1.10 Severability Clause.

In case any provision in this Indenture or in any Security or coupon shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.11 Benefits of Indenture.

Nothing in this Indenture or in the Securities or coupons, express or implied, shall give to any Person, other than the parties hereto, any Authenticating Agent, any Paying Agent, any Securities Registrar and their successors hereunder and the Holders of Securities or coupons, any benefit or any legal or equitable right, remedy or claim under this Indenture. Subject to Section 1.16, at all times in relation to this Indenture and any action to be taken hereunder, the Company and the Trustees each shall observe and comply with Trust Indenture Legislation and the Company, the Trustees and each Holder of a Security shall be entitled to the benefits of Trust Indenture Legislation.

SECTION 1.12 Governing Law.

This Indenture and the Securities and coupons shall be governed by and construed in accordance with the law of the State of New York, but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. Each Trustee and the Company agrees to comply with all provisions of Trust Indenture Legislation applicable to or binding upon it in connection with this Indenture and any action to be taken hereunder. This Indenture is subject to the provisions of the Trust Indenture Act that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions. Notwithstanding the preceding sentence, the exercise, performance or discharge by the Canadian Trustee of any of its rights, powers, duties or responsibilities hereunder shall be construed in accordance with the laws of the Province of [Ontario] and the federal laws of Canada applicable thereto.

SECTION 1.13 Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, sinking fund payment date or Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment or other location contemplated hereunder, then (notwithstanding any other provision of this Indenture or of any Security or coupon other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section 1.13), payment of principal, premium (if any) or interest (if any), need not be made at such Place of Payment or other location contemplated hereunder on such date, but may be made on the next succeeding Business Day at such Place of Payment or other location contemplated hereunder with the same force and effect as if made on the Interest Payment Date or Redemption Date or sinking fund payment date, or at the Stated Maturity or Maturity; *provided* that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be.

SECTION 1.14 Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

By the execution and delivery of this Indenture, the Company (i) acknowledges that it has irrevocably designated and appointed _____ as its authorized agent upon which process may be served in any suit, action or proceeding arising out of or relating to the Securities or this Indenture that may be instituted in any United States federal or New York state court located in The Borough of Manhattan, The City of New York, or brought by the Trustees (whether in their individual capacity or in their capacity as Trustees hereunder), (ii) irrevocably submits to the non-exclusive jurisdiction of any such court in any such suit or proceeding, and (iii) agrees that service of process upon _____ and written notice of said service to the Company (mailed or delivered to the Company at 100 King Street West, Suite 5600, Toronto, Ontario, M5X 1C9, Attention: Corporate Secretary or such other address and/or officer as the Company may designate on written notice to the Trustees), shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of _____ in full force and effect so long as this Indenture shall be in full force and effect.

To the extent that the Company has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Company hereby irrevocably waives such immunity in respect of its obligations under this Indenture and the Securities, to the extent permitted by law.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such action, suit or proceeding in any such court or any appellate court with respect thereto. The Company irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such action, suit or proceeding in any such court.

SECTION 1.15 Conversion of Judgment Currency.

(a) The Company covenants and agrees that the following provisions shall apply to conversion of Currency in the case of the Securities and this Indenture, to the fullest extent permitted by applicable law:

(i) If for the purposes of obtaining judgment in, or enforcing the judgment of, any court in any country, it becomes necessary to convert into a Currency (the “**Judgment Currency**”) an amount due or contingently due in any other Currency under the Securities of any series and this Indenture (the “**Base Currency**”), then the conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which the final judgment is given or the order of enforcement is made, as the case may be (unless a court shall otherwise determine).

(ii) If there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment referred to in (i) above is given or an order of enforcement is made, as the case may be (or such other date as a court shall determine), and the date of receipt of the amount due, the Company shall pay such additional (or, as the case may be, such lesser) amount, if any, as may be necessary so that the amount paid in the Judgment Currency when converted at the rate of exchange prevailing on the date of receipt will produce the amount in the Base Currency originally due.

(b) In the event of the winding-up of the Company at any time while any amount or damages owing under the Securities and this Indenture, or any judgment or order rendered in respect thereof, shall remain outstanding, the Company shall indemnify and hold the Holders and the Trustees harmless against any deficiency arising or resulting from any variation in rates of exchange between (1) the date as of which the equivalent of the amount in the Base Currency due or contingently due under the Securities and this Indenture (other than under this Subsection (b)) is calculated for the purposes of such winding-up and (2) the final date for the filing of proofs of claim in such winding-up. For the purpose of this Subsection (b) the final date for the filing of proofs of claim in the winding-up of the Company shall be the date fixed by the liquidator or otherwise in accordance with the relevant provisions of applicable law as being the latest practicable date as at which liabilities of the Company may be ascertained for such winding-up prior to payment by the liquidator or otherwise in respect thereto.

(c) The obligations contained in Subsections (a)(ii) and (b) of this Section 1.15 shall constitute separate and independent obligations of the Company from its other obligations under the Securities and this Indenture, shall give rise to separate and independent causes of action against the Company, shall apply irrespective of any waiver or extension granted by any Holder or the Trustees from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof of claim in the winding up of the Company for a liquidated sum in respect of amounts due hereunder (other than under Subsection (b) above) or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Holders or the Trustees, as the case may be, and no proof or evidence of any actual loss shall be required by the Company or its liquidator. In the case of Subsection (b) above, the amount of such deficiency shall not be deemed to be increased or reduced by any variation in rates of exchange occurring between the said final date and the date of any liquidating distribution.

The term “**rate(s) of exchange**” shall mean the rate of exchange quoted by a Canadian chartered bank as may be designated in writing by the Company to the Trustees from time to time, at its central foreign exchange desk in its main office in Ontario at 12:00 noon (Ontario time) on the relevant date for purchases of the Base Currency with the Judgment Currency and includes any premiums and costs of exchange payable. The Trustees shall have no duty or liability with respect to monitoring or enforcing this Section 1.15.

SECTION 1.16 Currency Equivalent.

Except as otherwise provided in this Indenture, for purposes of the construction of the terms of this Indenture or of the Securities, in the event that any amount is stated herein in the Currency of one nation (the “**First Currency**”), as of any date such amount shall also be deemed to represent the amount in the Currency of any other relevant nation which is required to purchase such amount in the First Currency at the Bank of Canada noon rate as reported by Telerate on screen 3194 (or such other means of reporting the Bank of Canada noon rate as may be agreed upon by each of the parties to this Indenture) on the date of determination.

SECTION 1.17 Conflict with Trust Indenture Legislation.

If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of Trust Indenture Legislation, such mandatory requirement shall control. If and to the extent that any provision hereof modifies or excludes any provision of Trust Indenture Legislation that may be so modified or excluded, the latter provision shall be deemed to apply hereof as so modified or to be excluded, as the case may be.

SECTION 1.18 Incorporators, Shareholders, Officers and Directors of the Company Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such, or against any past, present or future shareholder, officer or director, as such, of the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders and as part of the consideration for the issue of the Securities.

SECTION 1.19 Waiver of Jury Trial.

Each of the Company and the Trustees 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 Indenture, the Securities or the transactions contemplated hereby.

SECTION 1.20 Counterparts.

This Indenture may be executed in any number of counterparts (either by facsimile or by original manual signature), each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

SECTION 1.21 Force Majeure.

Except for the payment obligations of the Company contained herein, neither the Company nor the Trustees shall be liable to each other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 1.21.

**ARTICLE TWO
SECURITIES FORMS**

SECTION 2.01 Forms Generally.

The Registered Securities, if any, of each series and the Bearer Securities, if any, of each series and related coupons, if any, shall be in substantially the forms as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the Officer executing such Securities or coupons, as evidenced by the execution of such Securities or coupons by such Officer. If the forms of Securities or coupons of any series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Secretary of the Company and delivered to the Trustees at or prior to the delivery of the Company Order contemplated by Section 3.03 for the authentication and delivery of such Securities or coupons. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

Unless otherwise specified as contemplated by Section 3.01, Bearer Securities shall have interest coupons attached.

Either Trustee's certificate of authentication shall be in substantially the form set forth in this Article Two.

SECTION 2.02 Form of Trustee's Certificate of Authentication.

Subject to Section 6.12, either Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

(Certificate of Authentication may be executed by either Trustee)

Dated:

, as U.S. Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

as U.S. Trustee

By: _____

Authorized Officer

Dated:

, as Canadian Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

as Canadian Trustee

By: _____

Authorized Officer

SECTION 2.03 Securities Issuable in Global Form.

If Securities of or within a series are issuable in global form, as specified and contemplated by Section 3.01, then any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of Outstanding Securities of such series represented thereby may from time to time be increased or decreased to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustees in such manner and upon instructions given by the Holder or its nominee as shall be specified therein or in the Company Order to be delivered to the Trustees pursuant to Section 3.03 or 3.04. Subject to the provisions of Sections 3.03 and 3.04 (if applicable), the Trustees shall deliver and redeliver any Security in global form in the manner and upon instructions given by the Holder or its nominee as shall be specified therein or in the applicable Company Order. If a Company Order pursuant to Section 3.03 or Section 3.04 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 1.03 and need not be accompanied by an Opinion of Counsel.

Notwithstanding the provisions of Section 3.07, unless otherwise specified as contemplated by Section 3.01, payment of principal of, premium (if any) and interest (if any) on any Security in permanent global form shall be made to the Holder or its nominee specified therein.

Notwithstanding Section 3.09 and except as provided in the preceding paragraph, the Company, the Trustees and any agent of the Company and the Trustees shall treat as the Holder of such principal amount of Outstanding Securities represented by a permanent global Security (i) in the case of a permanent global Security in registered form, the Holder of such permanent global Security in registered form, or (ii) in the case of a permanent global Security in bearer form, the Depositary.

**ARTICLE THREE
THE SECURITIES**

SECTION 3.01 Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series and may be denominated and payable in Dollars or any Foreign Currency. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and set forth in, or determined in the manner provided in, an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series, any or all of the following, as applicable:

- (1) the title of the Securities of the series (which shall distinguish the Securities of such series from the Securities of all other series);
- (2) the aggregate principal amount of the Securities of the series and any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer (including any restriction or condition on the transferability of the Securities of such series) of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.04, 3.05, 3.06, 9.06, 11.07 or 13.05) and, in the event that no limit upon the aggregate principal amount of the Securities of that series is specified, the Company shall have the right, subject to any terms, conditions or other provisions specified pursuant to this Section 3.01 with respect to the Securities of such series, to re-open such series for the issuance of additional Securities of such series from time to time;
- (3) the extent and manner, if any, to which payment on or in respect of the Securities of the series will be senior or will be subordinated to the prior payment of other liabilities and obligations of the Company, and whether the payment of principal, premium (if any) and interest (if any) will be guaranteed by any other Person;
- (4) the percentage or percentages of principal amount at which the Securities of the series will be issued;
- (5) the date or dates, or the method by which such date or dates will be determined or extended, on which the Securities of the series may be issued and the date or dates, or the method by which such date or dates will be determined or extended, on which the principal of and premium (if any) on the Securities of the series is payable;
- (6) the rate or rates at which the Securities of the series shall bear interest, whether fixed or variable (if any), or the method by which such rate or rates shall be determined, whether such interest shall be payable in cash or additional Securities of the same series or shall accrue and increase the aggregate principal amount outstanding of such series, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on any Registered Security on any Interest Payment Date, or the method by which such date or dates shall be determined, and the basis upon which interest shall be calculated if other than on the basis of a 360-day year of twelve 30-day months;

- (7) the place or places, if any, other than or in addition to the Borough of Manhattan, The City of New York, where the principal of, premium (if any) and interest (if any) on Securities of the series shall be payable, where any Registered Securities of the series may be surrendered for registration of transfer, where Securities of the series may be surrendered for exchange, where Securities of the series that are convertible or exchangeable may be surrendered for conversion or exchange, as applicable and, if different than the location specified in Section 1.06, the place or places where notices or demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;
- (8) the period or periods within which, the date or dates on which, the price or prices at which, the Currency in which, and other terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option;
- (9) the obligation, if any, of the Company to redeem, repay or purchase Securities of the series pursuant to any sinking fund, amortization or analogous provisions or at the option of a Holder thereof, and the period or periods within which, the price or prices at which, the Currency in which, and other terms and conditions upon which Securities of the series shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;
- (10) if other than denominations of \$1,000 and any integral multiple thereof, the denomination or denominations in which any Registered Securities of the series shall be issuable and, if other than denominations of \$5,000, the denomination or denominations in which any Bearer Securities of the series shall be issuable;
- (11) the identity of each Security Registrar and/or Paying Agent;
- (12) if other than the principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.02 or the method by which such portion shall be determined;
- (13) if other than Dollars, the Foreign Currency in which payment of the principal of, premium (if any) or interest (if any) on the Securities of the series shall be payable or in which the Securities of the series shall be denominated and the particular provisions applicable thereto in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;
- (14) whether the amount of payments of principal of, premium (if any) or interest (if any) on the Securities of the series may be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on one or more Currencies, commodities, equity indices or other indices), and the manner in which such amounts shall be determined;
- (15) whether the principal of, premium (if any) or interest (if any) on the Securities of the series are to be payable, at the election of the Company or a Holder thereof, in a Currency other than that in which such Securities are denominated or stated to be payable, the period or periods within which (including the Election Date), and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the Currency in which such Securities are

denominated or stated to be payable and the Currency in which such Securities are to be so payable, in each case in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;

- (16) the designation of the initial Exchange Rate Agent, if any;
- (17) the applicability, if any, of Sections 14.02 and/or 14.03 to the Securities of the series and any provisions in modification of, in addition to or in lieu of any of the provisions of Article Fourteen that shall be applicable to the Securities of the series;
- (18) provisions, if any, granting special rights to the Holders of Securities of the series upon the occurrence of such events as may be specified;
- (19) any deletions from, modifications of or additions to the Events of Default or covenants (including any deletions from, modifications of or additions to Section 10.09) of the Company with respect to Securities of the series, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth herein;
- (20) whether Securities of the series are to be issuable as Registered Securities, Bearer Securities (with or without coupons) or both, any restrictions applicable to the offer, sale or delivery of Securities of the series, whether any Securities of the series are to be issuable initially in temporary global form and whether any Securities of the series are to be issuable in permanent global form with or without coupons and, if so, whether beneficial owners of interests in any such permanent global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 3.05, whether Registered Securities of the series may be exchanged for Bearer Securities of the series (if permitted by applicable laws and regulations), whether Bearer Securities of the series may be exchanged for Registered Securities of such series, and the circumstances under which and the place or places where any such exchanges may be made and, if Securities of the series are to be issuable in global form, the designation of any Depositary therefor;
- (21) the date as of which any Bearer Securities of the series and any temporary global Security of the series shall be dated if other than the date of original issuance of the first Security of the series to be issued;
- (22) the Person to whom any interest on any Registered Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, the manner in which, or the Person to whom, any interest on any Bearer Security of the series shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 3.04;
- (23) if Securities of the series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and/or terms of such certificates, documents or conditions;

- (24) if the Securities of the series are to be issued upon the exercise of warrants or subscription receipts, the time, manner and place for such Securities to be authenticated and delivered;
- (25) if the Securities of the series are to be convertible into or exchangeable for any securities or property of any Person (including the Company), the terms and conditions upon which such Securities will be so convertible or exchangeable, and any additions or changes to permit or facilitate such conversion or exchange;
- (26) provisions as to modification, amendment or variation of any rights or terms attaching to the Securities;
- (27) whether the Securities will be secured or unsecured and the nature and priority of any security; and
- (28) any other terms, conditions, rights and preferences (or limitations on such rights and preferences) relating to the series (which terms shall not be inconsistent with the requirements of Trust Indenture Legislation or the provisions of this Indenture).

All Securities of any one series and the coupons appertaining to any Bearer Securities of such series shall be substantially identical except, in the case of Registered Securities, as to denomination and except as may otherwise be provided in or pursuant to such Board Resolution (subject to Section 3.03) and set forth in such Officer's Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustees at or prior to the delivery of the Officer's Certificate setting forth the terms of the series.

SECTION 3.02 Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 3.01. With respect to Securities of any series denominated in Dollars, in the absence of any such provisions, the Registered Securities of such series, other than Registered Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$1,000 and any integral multiple thereof and the Bearer Securities of such series, other than the Bearer Securities issued in global form (which may be of any denomination), shall be issuable in a denomination of \$5,000 and any integral multiples thereof.

SECTION 3.03 Execution, Authentication, Delivery and Dating.

The Securities and any coupons appertaining thereto shall be executed on behalf of the Company by an Officer. The signature of an Officer on the Securities or coupons may be the manual or facsimile signatures of the present or any future such authorized officer and may be imprinted or otherwise reproduced on the Securities.

Securities or coupons bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities or coupons.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series together with any coupons appertaining thereto, executed by the Company to the applicable Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the applicable Trustee in accordance with such Company Order shall authenticate and deliver such Securities; *provided, however*, that, in connection with its original issuance, no Bearer Security shall be mailed or otherwise delivered to any location in the United States; *provided further* that, unless otherwise specified with respect to any series of Securities pursuant to Section 3.01, a Bearer Security may be delivered in connection with its original issuance only if the Person entitled to receive such Bearer Security shall have furnished a certificate in the form set forth in Exhibit A-1 to this Indenture, dated no earlier than 15 days prior to the earlier of the date on which such Bearer Security is delivered and the date on which any temporary Security first becomes exchangeable for such Bearer Security in accordance with the terms of such temporary Security and this Indenture. If any Security shall be represented by a permanent global Bearer Security, then, for purposes of this Section 3.03 and Section 3.04, the notation of a beneficial owner's interest therein upon original issuance of such Security or upon exchange of a portion of a temporary global Security shall be deemed to be delivery in connection with its original issuance of such beneficial owner's interest in such permanent global Security. Except as permitted by Section 3.06, the Trustees shall not authenticate and deliver any Bearer Security unless all appurtenant coupons for interest then matured have been detached and cancelled. If not all the Securities of any series are to be issued at one time and if the Board Resolution or supplemental indenture establishing such series shall so permit, such Company Order may set forth procedures acceptable to the Trustees for the issuance of such Securities and determining terms of particular Securities of such series such as interest rate, Stated Maturity, date of issuance and date from which interest shall accrue.

In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustees shall be entitled to receive, and (subject to Trust Indenture Legislation, including TIA Sections 315(a) through 315(d)) shall be fully protected in relying upon, an Opinion of Counsel stating:

- (a) that the form or forms of such Securities and any coupons have been established in conformity with the provisions of this Indenture;
- (b) that the terms of such Securities and any coupons have been established in conformity with the provisions of this Indenture;
- (c) that such Securities, together with any coupons appertaining thereto, when completed by appropriate insertions and executed and delivered by the Company to the applicable Trustee for authentication in accordance with this Indenture, authenticated and delivered by the applicable Trustee in accordance with this Indenture and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms;
- (d) the execution and delivery by the Company of such Securities, any coupons and any supplemental indenture will not contravene the articles of incorporation or continuance, or such other constating documents then in effect, if any, or the by-laws of the Company, or violate applicable laws; and
- (e) that the Company has the corporate power to issue such Securities and any coupons, and has duly taken all necessary corporate action with respect to such issuance.

Notwithstanding the provisions of Section 3.01 and of the preceding two paragraphs, if not all the Securities of any series are to be issued at one time, it shall not be necessary to deliver the Officer's Certificate otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Counsel otherwise required pursuant to the preceding two paragraphs prior to or at the time of issuance of each Security, but such documents shall be delivered prior to or at the time of issuance of the first Security of such series.

The Trustees shall not be required to authenticate and deliver any such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustees' own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustees.

Each Registered Security shall be dated the date of its authentication and each Bearer Security shall be dated as of the date specified as contemplated by Section 3.01.

No Security or coupon shall entitle a Holder to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the applicable Trustee by manual signature of an authorized officer thereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustees for cancellation as provided in Section 3.10 together with a written statement (which need not comply with Section 1.03 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never entitle a Holder to the benefits of this Indenture.

SECTION 3.04 Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the applicable Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form or, if authorized, in bearer form with one or more coupons or without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the Officer executing such Securities may determine, as conclusively evidenced by their execution of such Securities. Such temporary Securities may be in global form.

Except in the case of temporary Securities in global form (which shall be exchanged in accordance with the provisions of the following paragraphs), if temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series (accompanied by any unmatured coupons appertaining thereto), the Company shall execute and the applicable Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations and of like tenor and evidencing the same indebtedness; *provided, however*, that no definitive Bearer Security shall be delivered in exchange for a temporary Registered Security; *provided further* that a definitive Bearer Security shall be delivered in

exchange for a temporary Bearer Security only in compliance with the conditions set forth in Section 3.03. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

If temporary Securities of any series are issued in global form, any such temporary global Security shall, unless otherwise provided therein, be delivered to the office of the Depositary for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay, but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary global Security (the “**Exchange Date**”), the Company shall deliver to the Trustees definitive Securities, in aggregate principal amount equal to the principal amount of such temporary global Security and of like tenor and evidencing the same indebtedness, executed by the Company. On or after the Exchange Date, such temporary global Security shall be surrendered by the Depositary to the Trustees, as the Company’s agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge and the applicable Trustee shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor and evidencing the same indebtedness as the portion of such temporary global Security to be exchanged. The definitive Securities to be delivered in exchange for any such temporary global Security shall be in bearer form, registered form, permanent global bearer form or permanent global registered form, or any combination thereof, as specified as contemplated by Section 3.01, and, if any combination thereof is so specified, as requested by the beneficial owner thereof; *provided, however*, that, unless otherwise specified in such temporary global Security, upon such presentation by the Depositary, such temporary global Security is accompanied by a certificate dated the Exchange Date or a subsequent date and signed by the Depositary as to the portion of such temporary global Security held for its account then to be exchanged and a certificate dated the Exchange Date or a subsequent date, each in the form set forth in Exhibit A-2 to this Indenture (or in such other form as may be established pursuant to Section 3.01); *provided further* that definitive Bearer Securities shall be delivered in exchange for a portion of a temporary global Security only in compliance with the requirements of Section 3.03.

Unless otherwise specified in such temporary global Security, the interest of a beneficial owner of Securities of a series in a temporary global Security shall be exchanged for definitive Securities of the same series and of like tenor and evidencing the same indebtedness following the Exchange Date when the account holder instructs the Depositary to request such exchange on his behalf and delivers to the Depositary a certificate in the form set forth in Exhibit A-1 to this Indenture (or in such other form as may be established pursuant to Section 3.01), dated no earlier than 15 days prior to the Exchange Date, copies of which certificate shall be available from the offices of the Depositary, the Trustees, any Authenticating Agent appointed for such series of Securities and each Paying Agent. Unless otherwise specified in such temporary global Security, any such exchange shall be made free of charge to the beneficial owners of such temporary global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage, transportation and the like in the event that such Person does not take delivery of such definitive Securities in person at the offices of the Depositary. Definitive Securities in bearer form to be delivered in exchange for any portion of a temporary global Security shall be delivered only outside the United States and Canada.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor and evidencing the same indebtedness authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 3.01, interest payable on a temporary global Security on an Interest Payment Date for Securities of such series occurring prior to the applicable

Exchange Date shall be payable to the Depositary on such Interest Payment Date upon delivery by the Depositary to the Trustees of a certificate or certificates in the form set forth in Exhibit A-2 to this Indenture (or in such other form as may be established pursuant to Section 3.01), for credit without further interest thereon on or after such Interest Payment Date to the respective accounts of the Persons who are the beneficial owners of such temporary global Security on such Interest Payment Date and who have each delivered to the Depositary a certificate dated no earlier than 15 days prior to the Interest Payment Date occurring prior to such Exchange Date in the form set forth in Exhibit A-1 to this Indenture (or in such other form as may be established pursuant to Section 3.01). Notwithstanding anything to the contrary herein contained, the certifications made pursuant to this paragraph shall satisfy the certification requirements of the preceding two paragraphs of this Section 3.04 and of the third paragraph of Section 3.03 and the interests of the Persons who are the beneficial owners of the temporary global Security with respect to which such certification was made will be exchanged for definitive Securities of the same series and of like tenor and evidencing the same indebtedness on the Exchange Date or the date of certification if such date occurs after the Exchange Date, without further act or deed by such beneficial owners. Except as otherwise provided in this paragraph, no payments of principal of, premium (if any) or interest (if any) owing with respect to a beneficial interest in a temporary global Security will be made unless and until such interest in such temporary global Security shall have been exchanged for an interest in a definitive Security. Any interest so received by the Depositary and not paid as herein provided shall be returned to the Trustees immediately prior to the expiration of two years after such Interest Payment Date in order to be repaid to the Company in accordance with Section 10.03.

SECTION 3.05 Registration, Registration of Transfer and Exchange.

So long as required by Trust Indenture Legislation, the Company shall cause to be kept at the Corporate Trust Offices of the Trustees a register for each series of Securities (the registers maintained in the Corporate Trust Offices of the Trustees and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the “**Security Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Holders of Registered Securities and of transfers of Registered Securities. The Security Register shall be in written form or any other form capable of being converted into written form within a reasonable time. At all reasonable times, the Security Register shall be open to inspection by the Trustees. The Trustees are hereby initially appointed as security registrar (the “**Security Registrar**”) for the purpose of registering Registered Securities and transfers of Registered Securities as herein provided. The Company shall have the right to remove and replace from time to time the Security Registrar for any series of Securities; provided, however, that, no such removal or replacement shall be effective until a successor Security Registrar with respect to such series of Registered Securities shall have been appointed by the Company and shall have accepted such appointment by the Company. In the event that the Trustees shall not be or shall cease to be the Securities Registrar with respect to a series of Securities, they shall have the right to examine the Security Register for such series at all reasonable times. There shall be only one Securities Register for such series of Securities.

Upon surrender for registration of transfer of any Registered Security of any series at the office or agency in a Place of Payment for that series, the Company shall execute, and the applicable Trustee shall authenticate and deliver, in the name of the designated transferee, one or more new Registered Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor and evidencing the same indebtedness.

For Canadian Securities, the Security must be duly endorsed for transfer or in a duly endorsed transferable form as applicable and must comply with the current industry practice in accordance with the Securities Transfer Association of Canada.

At the option of the Holder, Registered Securities of any series may be exchanged for other Registered Securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor and evidencing the same indebtedness, upon surrender of the Registered Securities to be exchanged at such office or agency. Whenever any Registered Securities are so surrendered for exchange, the Company shall execute, and the applicable Trustee shall authenticate and deliver, the Registered Securities which the Holder making the exchange is entitled to receive. Unless otherwise specified with respect to any series of Securities as contemplated by Section 3.01, Bearer Securities may not be issued in exchange for Registered Securities.

If (but only if) expressly permitted in or pursuant to the applicable Board Resolution and (subject to Section 3.03) set forth in the applicable Officer's Certificate, or in any indenture supplemental hereto, delivered as contemplated by Section 3.01, at the option of the Holder, Bearer Securities of any series may be exchanged for Registered Securities of the same series of any authorized denomination and of a like aggregate principal amount and tenor and evidencing the same indebtedness, upon surrender of the Bearer Securities to be exchanged at the office of the applicable Trustee, with all unmatured coupons and all matured coupons in default thereto appertaining. If the Holder of a Bearer Security is unable to produce any such unmatured coupon or coupons or matured coupon or coupons in default, any such permitted exchange may be effected if the Bearer Securities are accompanied by payment in funds acceptable to the Company in an amount equal to the face amount of such missing coupon or coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustees if there is furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to any Paying Agent any such missing coupon in respect of which such a payment shall have been made, such Holder shall be entitled to receive the amount of such payment; *provided, however*, that, except as otherwise provided in Section 10.02, interest represented by coupons shall be payable only upon presentation and surrender of those coupons at an office or agency located outside the United States. Notwithstanding the foregoing, in case a Bearer Security of any series is surrendered at any such office or agency in a permitted exchange for a Registered Security of the same series and like tenor after the close of business at such office or agency on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, such Bearer Security shall be surrendered without the coupon relating to such Interest Payment Date or proposed date for payment, as the case may be, and interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the provisions of this Indenture.

Whenever any Securities are so surrendered for exchange, the Company shall execute, and the applicable Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 3.01, any permanent global Security shall be exchangeable only as provided in this Section. If any beneficial owner of an interest in a permanent global Security is entitled to exchange such interest for Securities of such series and of like tenor and principal amount of another authorized form and denomination, as contemplated by Section 3.01 and provided that any applicable notice provided in the permanent global Security shall have been given to the Company, the Trustees and the Depositary, then without unnecessary delay but in any event not later than the earliest date on which such interest may be so exchanged, the Company shall deliver to the applicable Trustee definitive Securities in aggregate principal amount equal to the principal amount of such beneficial owner's interest in such permanent global Security, executed by the Company. On or after the earliest date on which such interests may be

so exchanged, such permanent global Security shall be surrendered by the Depositary or such other depositary as shall be specified in the Company Order with respect thereto to the applicable Trustee, as the Company's agent for such purpose, to be exchanged in whole or from time to time in part, for definitive Securities without charge, and the applicable Trustee shall authenticate and deliver, in exchange for each portion of such permanent global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such permanent global Security to be exchanged which, unless the Securities of the series are not issuable both as Bearer Securities and as Registered Securities, as specified as contemplated by Section 3.01, shall be in the form of Bearer Securities or Registered Securities, or any combination thereof, as shall be specified by the beneficial owner thereof. No Bearer Security delivered in exchange for a portion of a permanent global Security shall be mailed or otherwise delivered to any location in the United States or Canada. If a Registered Security is issued in exchange for any portion of a permanent global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such permanent global Security is payable in accordance with the provisions of this Indenture.

Transfers of global Securities shall be limited to transfers in whole, but not in part, to the Depositary, its successors or their respective nominees. If at any time the Depositary for Securities of a series notifies the Company that it is unwilling, unable or no longer qualifies to continue as Depositary for Securities of such series or if at any time the Depositary for such series shall no longer be registered or in good standing under the Exchange Act, or other applicable statute or regulation, the Company shall appoint a successor Depositary for the Securities of such series. If a successor to the Depositary for Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company's election pursuant to Section 3.01 shall no longer be effective with respect to the Securities for such series and the Company will execute, and the applicable Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive, registered form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series and evidencing the same indebtedness in exchange for such global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities. In such event the Company will execute, and the applicable Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive, registered form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series and evidencing the same indebtedness in exchange for such global Security or Securities.

Upon the exchange of a global Security for Securities in definitive registered form, such global Security shall be cancelled by the applicable Trustee. Securities issued in exchange for a global Security pursuant to this Section 3.05 shall be registered in such names and in such authorized denominations as the Depositary for such global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the applicable Trustee in writing. The applicable Trustee shall deliver such Securities to the Persons in whose names such Securities are so registered.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Registered Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar or applicable securities transfer industry practices) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

Any registration of transfer or exchange of Securities may be subject to service charges by the Securities Registrar and the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.04, 9.06, 11.07 or 13.05 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series in definitive form during a period beginning at the opening of business 15 days before the day of the selection for redemption of Securities of that series under Section 11.03 or 12.03 and ending at the close of business on (A) if Securities of the series are issuable only as Registered Securities, the day of the mailing of the relevant notice of redemption and (B) if Securities of the series are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, (C) if Securities of the series are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Registered Security in definitive form so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to exchange any Bearer Security so selected for redemption except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor; *provided* that such Registered Security shall be simultaneously surrendered for redemption, or (iv) to issue, register the transfer of or exchange any Security in definitive form which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Security not to be so repaid.

SECTION 3.06 Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security or a Security with a mutilated coupon appertaining to it is surrendered to the applicable Trustee, the Company shall execute and the applicable Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and evidencing the same indebtedness and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to the surrendered Security, or, in case any such mutilated Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, with coupons corresponding to the coupons, if any, appertaining to the surrendered Security, pay such Security or coupon. If there shall be delivered to the Company and to the Trustees (i) evidence to their satisfaction of the destruction, loss or theft of any Security or coupon and (ii) such security (or surety in the case of the Canadian Trustee) or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustees that such Security or coupon has been acquired by a bona fide purchaser, the Company shall execute and upon Company Order the applicable Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security or in exchange for the Security for which a destroyed, lost or stolen coupon appertains (with all appurtenant coupons not destroyed, lost or stolen), a new Security of the same series and of like tenor and principal amount and evidencing the same indebtedness and bearing a number not contemporaneously outstanding, with coupons corresponding to the coupons, if any, appertaining to such destroyed, lost or stolen Security or to the Security to which such destroyed, lost or stolen coupon appertains.

Notwithstanding the provisions of the previous two paragraphs, in case any such mutilated, destroyed, lost or stolen Security or coupon has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, with coupons corresponding to the coupons, if any, appertaining to such mutilated, destroyed, lost or stolen Security or to the Security to which such mutilated, destroyed, lost or stolen coupon appertains, pay such Security or coupon; *provided, however*, that payment of principal of, premium (if any) and interest (if any) on Bearer Securities shall, except as otherwise provided in Section 10.02, be payable only at an office or agency located outside the United States and Canada and, unless otherwise specified as contemplated by Section 3.01, any interest on Bearer Securities shall be payable only upon presentation and surrender of the coupons appertaining thereto.

Upon the issuance of any new Security under this Section 3.06, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustees) connected therewith.

Every new Security of any series with its coupons, if any, issued pursuant to this Section 3.06 in lieu of any mutilated, destroyed, lost or stolen Security or in exchange for a Security to which a mutilated, destroyed, lost or stolen coupon appertains, shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Security and its coupons, if any, or the mutilated, destroyed, lost or stolen coupon shall be at any time enforceable by anyone, and the Holders of such Security shall be entitled to all the benefits of this Indenture equally and proportionately with the Holders of any and all other Securities of that series and their coupons, if any, duly issued hereunder.

The provisions of this Section 3.06 as amended or supplemented pursuant to this Indenture with respect to a particular series of Securities or generally are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons.

SECTION 3.07 Payment of Principal, Premium and Interest; Interest Rights Preserved; Optional Interest Reset.

(a) Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, interest (if any) on any Registered Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid by the Paying Agent to the Person in whose name such Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 10.02; *provided, however*, that each installment of interest (if any) on any Registered Security may at the Company's option be paid by (i) mailing a check for such interest, payable to or upon the written order of the Person entitled thereto pursuant to Section 3.09, to the address of such Person as it appears on the Security Register or (ii) wire transfer to an account located in the United States maintained by the Person entitled to such payment as specified in the Security Register. Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, principal and premium (if any) paid in relation to any Security shall be paid to the Holder of such Security only upon presentation and surrender of such Security at the office or agency of the Company maintained for such purpose pursuant to Section 10.02.

Unless otherwise provided as contemplated by Section 3.01 with respect to the Securities of any series, payment of interest (if any) may be made, in the case of a Bearer Security, by transfer to an account located outside the United States and Canada maintained by the payee.

Unless otherwise provided as contemplated by Section 3.01, every permanent global Security will provide that interest (if any) payable on any Interest Payment Date will be paid to the Depositary with respect to that portion of such permanent global Security held for its account by the Depositary, for the purpose of permitting the Depositary to credit the interest (if any) received by it in respect of such permanent global Security to the accounts of the beneficial owners thereof.

Any interest on any Registered Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such defaulted interest and, if applicable, interest on such defaulted interest (to the extent lawful) at the rate specified in the Securities of such series (such defaulted interest and, if applicable, interest thereon herein collectively called “**Defaulted Interest**”) must be paid by the Company as provided for in either clause (1) or (2), at the Company’s election:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustees in writing of the amount of Defaulted Interest proposed to be paid on each Registered Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the applicable Trustee an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustees for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustees shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustees of the notice of the proposed payment. The Trustees shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given in the manner provided in Section 1.07, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose name the Registered Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).
- (2) The Company may make payment of any Defaulted Interest on the Registered Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and, upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustees of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustees.

(b) The provisions of this Section 3.07(b) may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may be specified pursuant to such Section 3.01). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an “**Optional Reset Date**”). The Company may exercise such option with respect to such Security by notifying the Trustees of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security. Not later than 40 days prior to each Optional Reset Date, the Trustees shall transmit, in the manner provided for in Section 1.07, to the Holder of any such Security a notice (the “**Reset Notice**”) indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity of such Security (each such period a “**Subsequent Interest Period**”), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or the spread or spread multiplier, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustees to transmit, in the manner provided for in Section 1.07, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders except that the period for delivery or notification to the Trustees shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustees, revoke such tender or repayment until the close of business on the tenth day before such Optional Reset Date.

Subject to the foregoing provisions of this Section 3.07 and Section 3.05, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 3.08 Optional Extension of Stated Maturity.

The provisions of this Section 3.08 may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may be specified pursuant to such

Section 3.01). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an “**Extension Period**”) up to but not beyond the date (the “**Final Maturity**”) set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustees of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the “**Original Stated Maturity**”). If the Company exercises such option, the Trustees shall transmit, in the manner provided for in Section 1.07, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the “**Extension Notice**”) indicating (i) the election of the Company to extend the Stated Maturity, (ii) the new Stated Maturity, (iii) the interest rate (if any) applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustees’ transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustees to transmit, in the manner provided for in Section 1.07, notice of such higher interest rate to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity thereof, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders, except that the period for delivery or notification to the Trustees shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustees revoke such tender for repayment until the close of business on the tenth day before the Original Stated Maturity.

SECTION 3.09 Persons Deemed Owners.

Prior to due presentment of a Registered Security for registration of transfer, the Company, the Trustees and any agent of the Company or the Trustees may treat the Person in whose name such Registered Security is registered as the owner of such Registered Security for the purpose of receiving payment of principal of, premium (if any) and (subject to Sections 3.05 and 3.07) interest (if any) on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustees or any agent of the Company or the Trustees shall be affected by notice to the contrary.

Title to any Bearer Security and any coupons appertaining thereto shall pass by delivery. The Company, the Trustees and any agent of the Company or the Trustees may treat the bearer of any Bearer Security and the bearer of any coupon as the absolute owner of such Security or coupon for the purpose of receiving payment thereof or on account thereof and for all other purposes whatsoever, whether or not such Security or coupons be overdue, and none of the Company, the Trustees or any agent of the Company or the Trustees shall be affected by notice to the contrary.

The Depositary for Securities may be treated by the Company, the Trustees, and any agent of the Company or the Trustees as the owner of such global Security for all purposes whatsoever. None of the

Company, the Trustees, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Notwithstanding the foregoing, with respect to any global Security, nothing herein shall prevent the Company, the Trustees, or any agent of the Company or the Trustees, from giving effect to any written certification, proxy or other authorization furnished by any Depositary, as a Holder, with respect to such global Security or impair, as between such Depositary and owners of beneficial interests in such global Security, the operation of customary practices governing the exercise of the rights of such Depositary (or its nominee) as Holder of such global Security.

SECTION 3.10 Cancellation.

All Securities and coupons surrendered for payment, redemption, repayment at the option of the Holder, registration of transfer or exchange or for credit against any current or future sinking fund payment shall, if surrendered to any Person other than a Trustee, be delivered to either Trustee. All Securities and coupons so delivered to either Trustee shall be promptly cancelled by such Trustee. The Company may at any time deliver to a Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to either Trustee (or to any other Person for delivery to such Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by such Trustee. If the Company shall so acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to either Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section 3.10, except as expressly permitted by this Indenture. All cancelled Securities held by either Trustee shall be disposed of by such Trustee in accordance with its customary procedures and certification of their disposal delivered to the Company unless by Company Order the Company shall direct that cancelled Securities be returned to it.

SECTION 3.11 Computation of Interest.

Except as otherwise specified as contemplated by Section 3.01 with respect to any Securities, interest (if any) on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months. For the purposes of disclosure under the Interest Act (Canada), the yearly rate of interest to which interest calculated under a Security for any period in any calendar year (the “**calculation period**”) is equivalent, is the rate payable under a Security in respect of the calculation period multiplied by a fraction the numerator of which is the actual number of days in such calendar year and the denominator of which is the actual number of days in the calculation period.

SECTION 3.12 Currency and Manner of Payments in Respect of Securities.

(a) With respect to Registered Securities of any series not permitting the election provided for in paragraph (b) below or the Holders of which have not made the election provided for in paragraph (b) below, and with respect to Bearer Securities of any series, except as provided in paragraph (d) below, payment of the principal of, premium (if any) and interest (if any) on such Registered Security or Bearer Security of such series will be made in the Currency in which such Registered Security or Bearer Security, as the case may be, is payable. The provisions of this Section 3.12 may be modified or superseded with respect to any Securities pursuant to Section 3.01.

(b) It may be provided pursuant to Section 3.01 with respect to Registered Securities of any series that Holders shall have the option, subject to paragraphs (d) and (e) below, to receive payments of principal of, premium (if any) or interest (if any) on such Registered Securities in any of the Currencies which may be designated for such election by delivering to the Trustees a written election with signature guarantees and in the applicable form established pursuant to Section 3.01, not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder so elects to receive such payments in any such Currency, such election will remain in effect for such Holder or any transferee of such Holder until changed by such Holder or such transferee by written notice to the Trustees (but any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date and no such change of election may be made with respect to payments to be made on any Registered Security of such series with respect to which an Event of Default has occurred or with respect to which the Company has deposited funds pursuant to Article Four or Fourteen or with respect to which a notice of redemption has been given by the Company or a notice of option to elect repayment has been sent by such Holder or such transferee). Any Holder of any such Registered Security who shall not have delivered any such election to the Trustees not later than the close of business on the applicable Election Date will be paid the amount due on the applicable payment date in the relevant Currency as provided in Section 3.12(a). The Trustees shall notify the Exchange Rate Agent as soon as practicable after the Election Date of the aggregate principal amount of Registered Securities for which Holders have made such written election.

(c) Unless otherwise specified pursuant to Section 3.01, if the election referred to in paragraph (b) above has been provided for pursuant to Section 3.01, then, unless otherwise specified pursuant to Section 3.01, not later than the fourth Business Day after the Election Date for each payment date for Registered Securities of any series, the Exchange Rate Agent will deliver to the Company a written notice specifying, in the Currency in which Registered Securities of such series are payable, the respective aggregate amounts of principal of, premium (if any) and interest (if any) on the Registered Securities to be paid on such payment date, specifying the amounts in such Currency so payable in respect of the Registered Securities as to which the Holders of Registered Securities of such series shall have elected to be paid in another Currency as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for pursuant to Section 3.01 and if at least one Holder has made such election, then, unless otherwise specified pursuant to Section 3.01, on the second Business Day preceding such payment date the Company will deliver to the Trustees for such series of Registered Securities an Exchange Rate Officer's Certificate in respect of the Dollar or Foreign Currency payments to be made on such payment date. Unless otherwise specified pursuant to Section 3.01, the Dollar or Foreign Currency amount receivable by Holders of Registered Securities who have elected payment in a Currency as provided in paragraph (b) above shall be determined by the Company on the basis of the applicable Market Exchange Rate in effect on the third Business Day (the "**Valuation Date**") immediately preceding each payment date, and such determination shall be conclusive and binding for all purposes, absent manifest error.

(d) If a Conversion Event occurs with respect to a Foreign Currency in which any of the Securities are denominated or payable other than pursuant to an election provided for pursuant to paragraph (b) above, then, with respect to each date for the payment of principal of, premium (if any) and interest (if any) on the applicable Securities denominated or payable in such Foreign Currency occurring after the last date on which such Foreign Currency was used (the "**Conversion Date**"), the Dollar shall be the Currency of payment for use on each such payment date. Unless otherwise specified pursuant to Section 3.01, the Dollar amount to be paid by the Company to the Trustees and by the Trustees or any Paying Agent to the Holders of such Securities with respect to such payment date shall be, in the case of a Foreign Currency other than a currency unit, the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit, in each case as determined by the Exchange Rate Agent in the manner provided in paragraph (f) or (g) below.

(e) Unless otherwise specified pursuant to Section 3.01, if the Holder of a Registered Security denominated in any Currency shall have elected to be paid in another Currency as provided in paragraph (b) above, and a Conversion Event occurs with respect to such elected Currency, such Holder shall receive payment in the Currency in which payment would have been made in the absence of such election; and if a Conversion Event occurs with respect to the Currency in which payment would have been made in the absence of such election, such Holder shall receive payment in Dollars as provided in paragraph (d) above.

(f) The “**Dollar Equivalent of the Foreign Currency**” shall be determined by the Exchange Rate Agent and shall be obtained for each subsequent payment date by converting the specified Foreign Currency into Dollars at the Market Exchange Rate on the Conversion Date.

(g) The “**Dollar Equivalent of the Currency Unit**” shall be determined by the Exchange Rate Agent and subject to the provisions of paragraph (h) below shall be the sum of each amount obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate for such Component Currency on the Valuation Date with respect to each payment.

(h) For purposes of this Section 3.12 the following terms shall have the following meanings:

A “**Component Currency**” shall mean any Currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, the Euro.

A “**Specified Amount**” of a Component Currency shall mean the number of units of such Component Currency or fractions thereof which were represented in the relevant currency unit, including, but not limited to, the Euro, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single Currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single Currency, and such amount shall thereafter be a Specified Amount and such single Currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by amounts of such two or more currencies, having an aggregate Dollar Equivalent value at the Market Exchange Rate on the date of such replacement equal to the Dollar Equivalent value of the Specified Amount of such former Component Currency at the Market Exchange Rate immediately before such division and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies. If, after the Conversion Date of the relevant currency unit, including, but not limited to, the Euro, a Conversion Event (other than any event referred to above in this definition of “**Specified Amount**”) occurs with respect to any Component Currency of such currency unit and is continuing on the applicable Valuation Date, the Specified Amount of such Component Currency shall, for purposes of calculating the Dollar Equivalent of the Currency Unit, be converted into Dollars at the Market Exchange Rate in effect on the Conversion Date of such Component Currency.

“**Election Date**” shall mean the date for any series of Registered Securities as specified pursuant to clause (15) of Section 3.01 by which the written election referred to in paragraph (b) above may be made.

All decisions and determinations of the Exchange Rate Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit, the Market Exchange Rate and changes in the Specified Amounts as specified above shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Company, the Trustees and all Holders of such Securities denominated or payable in the relevant Currency. The Exchange Rate Agent shall promptly give written notice to the Company and the Trustees of any such decision or determination.

In the event that the Company determines in good faith that a Conversion Event has occurred with respect to a Foreign Currency, the Company will immediately give written notice thereof to the Trustees and to the Exchange Rate Agent (and the Trustees will promptly thereafter give notice in the manner provided for in Section 1.07 to the affected Holders) specifying the Conversion Date. In the event the Company so determines that a Conversion Event has occurred with respect to the Euro or any other currency unit in which Securities are denominated or payable, the Company will immediately give written notice thereof to the Trustees and to the Exchange Rate Agent (and the Trustees will promptly thereafter give notice in the manner provided for in Section 1.07 to the affected Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event the Company determines in good faith that any subsequent change in any Component Currency as set forth in the definition of Specified Amount above has occurred, the Company will similarly give written notice to the Trustees and the Exchange Rate Agent.

The Trustees shall be fully justified and protected in relying and acting upon information received by it from the Company and the Exchange Rate Agent and shall not otherwise have any duty or obligation to determine the accuracy or validity of such information independent of the Company or the Exchange Rate Agent.

SECTION 3.13 Appointment and Resignation of Successor Exchange Rate Agent.

(a) Unless otherwise specified pursuant to Section 3.01, if and so long as the Securities of any series (i) are denominated in a Currency other than Dollars or (ii) may be payable in a Currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent. The Company will cause the Exchange Rate Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 3.01 for the purpose of determining the applicable rate of exchange and, if applicable, for the purpose of converting the issued Currency into the applicable payment Currency for the payment of principal, premium (if any) and interest (if any) pursuant to Section 3.12.

(b) The Company shall have the right to remove and replace from time to time the Exchange Rate Agent for any series of Securities. No resignation of the Exchange Rate Agent and no appointment of a successor Exchange Rate Agent pursuant to this Section 3.13 shall become effective until the acceptance of appointment by the successor Exchange Rate Agent as evidenced by a written instrument delivered to the Company and the Trustees.

(c) If the Exchange Rate Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Exchange Rate Agent for any cause with respect to the Securities of one or more series, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Exchange Rate Agent or Exchange Rate Agents with respect to the Securities of that or those series (it being understood that any such successor Exchange Rate Agent may be appointed with respect to the Securities of one or more or all of such series and that, unless otherwise specified pursuant to Section 3.01, at any time there shall only be one Exchange Rate Agent with respect to the Securities of any particular series that are originally issued by the Company on the same date and that are initially denominated and/or payable in the same Currency).

ARTICLE FOUR
SATISFACTION AND DISCHARGE

SECTION 4.01 Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect with respect to any series of Securities specified in such Company Request (except as to any surviving rights of registration of transfer or exchange of Securities of such series expressly provided for herein or pursuant hereto and the rights of Holders of such series of Securities and any related coupons to receive, solely from the trust fund described in subclause (b) of clause (1) of this Section 4.01, payments in respect of the principal of, premium (if any) and interest (if any) on such Securities and any related coupons when such payments are due and except as provided in the last paragraph of this Section 4.01) and the Trustees, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series when

(1) either

(a) all Securities of such series theretofore authenticated and delivered and all coupons, if any, appertaining thereto (other than (i) coupons appertaining to Bearer Securities surrendered for exchange for Registered Securities and maturing after such exchange, whose surrender is not required or has been waived as provided in Section 3.05, (ii) Securities and coupons of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06, (iii) coupons appertaining to Securities called for redemption and maturing after the relevant Redemption Date, whose surrender has been waived as provided in Section 11.06, and (iv) Securities and coupons of such series for whose payment money has theretofore been deposited in trust with either Trustee or any Paying Agent or segregated and held in trust by the Company and thereafter repaid to the Company, as provided in Section 10.03) have been delivered to either Trustee for cancellation; or

(b) all Securities of such series and, in the case of (i) or (ii) below, any coupons appertaining thereto not theretofore delivered to either Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the Trustees for the giving of notice of redemption by the Trustees in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with either Trustee as trust funds in trust for such purpose an amount in the Currency in which the Securities of such series are payable, sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to such Trustee for cancellation, for principal, premium (if any) and interest (if any) to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

- (2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and
- (3) the Company has delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustees under Section 6.07, the obligations of the Trustees to any Authenticating Agent under Section 6.12 and, if money shall have been deposited with the Trustees pursuant to subclause (b) of clause (1) of this Section 4.01, the obligations of the Trustees under Section 4.02 and the last paragraph of Section 10.03 shall survive.

SECTION 4.02 Application of Trust Money.

Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the Trustees pursuant to Section 4.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities, the coupons and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustees may determine, to the Persons entitled thereto, of the principal, premium (if any) and interest (if any) for whose payment such money has been deposited with the Trustees; but such money need not be segregated from other funds except to the extent required by law.

ARTICLE FIVE REMEDIES

SECTION 5.01 Events of Default.

“**Event of Default**,” wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be 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), unless such event is specifically deleted or modified in or pursuant to a supplemental indenture, Board Resolution or Officer's Certificate establishing the terms of such series pursuant to Section 3.01 of this Indenture:

- (1) default in the payment of any interest due on any Security of that series, or any related coupon, when such interest or coupon becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of the principal or premium (if any) in respect of any Security of that series at its Maturity; or
- (3) default in the deposit of any sinking fund, amortization or analogous payment when due by the terms of any Security of that series and Article Twelve; or
- (4) default in the performance, or breach, of any covenant or agreement of the Company in this Indenture which affects or is applicable to the Securities of that series (other than a covenant or agreement, a default in whose performance or whose breach is elsewhere in this Section 5.01 specifically dealt with), and continuance of such default or breach for a period of 60 days after there has been given (and 120 days with respect to a default or breach under Section 7.05), by registered or certified mail, to the Company by the

Trustees or to the Company and the Trustees by the Holders of at least 25% in principal amount of all Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

- (5) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Company bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under or subject to the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), the U.S. Federal Bankruptcy Code or any other federal, provincial, state or foreign bankruptcy, insolvency or analogous laws, or the issuance of a sequestration order or the (appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or in receipt of any substantial part of the property of the Company, and any such decree, order or appointment continues unstayed and in effect for a period of 90 consecutive days; or
- (6) the institution by the Company of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under or subject to the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), the U.S. Federal Bankruptcy Code or any other federal, provincial, state or foreign bankruptcy, insolvency or analogous laws or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or the taking by it of corporate action in furtherance of any of the aforesaid purposes; or
- (7) any other Event of Default provided with respect to Securities of that series.

SECTION 5.02 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01 with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case, either Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series, may declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities of that series and all interest thereon to be due and payable immediately, by a notice in writing to the Company (and to the Trustees if given by Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. If an Event of Default specified in clause (5) or (6) of Section 5.01 occurs and is continuing, then the principal amount of all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustees or any Holder.

At any time after such a declaration of acceleration with respect to Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained by either Trustee as hereinafter provided in this Article Five, the Holders of a majority in principal amount of the Outstanding Securities of that series (or of all series, as the case may be), by written notice to the Company and the Trustees, may rescind and annul such declaration and its consequences if:

- (1) the Company has paid or deposited with either Trustee a sum sufficient to pay in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)),
 - (a) all overdue interest (if any) on all Outstanding Securities of that series (or of all series, as the case may be) and any related coupons,
 - (b) all unpaid principal of and premium (if any) on any Outstanding Securities of that series (or of all series, as the case may be) which has become due otherwise than by such declaration of acceleration, and interest on such unpaid principal and premium (if any) at the rate or rates prescribed therefor in such Securities,
 - (c) to the extent that payment of such interest is legally enforceable, interest on overdue interest at the rate or rates prescribed therefor in such Securities, and
 - (d) all sums paid or advanced by the Trustees hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustees, their agents and counsel; and
- (2) all Events of Default with respect to Securities of that series (or of all series, as the case may be), other than the non-payment of amounts of principal of, premium (if any) or interest (if any) on Securities of that series (or of all series, as the case may be) which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 5.03 Collection of Debt and Suits for Enforcement by Trustees.

The Company covenants that if

- (1) default is made in the payment of any installment of interest on any Security and any related coupon when such interest becomes due and payable and such default continues for a period of 30 days, or
- (2) default is made in the payment of the principal of or premium (if any) any Security at the Maturity thereof,

then the Company will, upon demand of the Trustees, pay to the applicable Trustee for the benefit of the Holders of such Securities and coupons, the whole amount then due and payable on such Securities and coupons for principal of, premium (if any) and interest (if any) and interest on any overdue principal, overdue premium (if any) and, to the extent lawful, overdue interest (if any), at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustees, their agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustees, in their own names as trustees of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series (or of all series, as the case may be) occurs and is continuing, either Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series (or of all series, as the case may be) by such appropriate judicial proceedings as such Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 5.04 Trustees May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, each Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether either Trustee shall have made any demand on the Company for the payment of overdue principal, premium (if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

- (i) to file and prove a claim for the whole amount of principal and premium (if any), or such portion of the principal amount of any series of Original Issue Discount Securities or Indexed Securities as may be specified in the terms of such series, and interest (if any) owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of such Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and
- (ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to such Trustee and, in the event that such Trustee shall consent to the making of such payments directly to the Holders, to pay to such Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of each Trustee, its agents and counsel, and any other amounts due to such Trustee under Section 6.07.

Nothing herein contained shall be deemed to authorize the Trustees to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustees to vote in respect of the claim of any Holder in any such proceeding.

SECTION 5.05 Trustees May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture, the Securities or coupons may be prosecuted and enforced by the Trustees without the possession of any of the Securities or coupons or the production thereof in any proceeding relating thereto, and any such proceeding instituted by either Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities and coupons in respect of which such judgment has been recovered.

SECTION 5.06 Application of Money Collected.

Any money collected by either Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustees and, in case of the distribution of such money on account of principal of, premium (if any) or interest (if any) upon presentation of the Securities or coupons, or both, as the case may be, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the payment of all amounts due the Trustees under Section 6.07;

Second: to the payment of the amounts then due and unpaid for principal of, premium (if any) and interest (if any), on the Securities and coupons in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities and coupons for principal, premium (if any) and interest (if any), respectively; and

Third: the balance, if any, to the Person or Persons entitled thereto.

SECTION 5.07 Limitation on Suits.

No Holder of any Security of any series or any related coupons shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustees of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or, in the case of any Event of Default described in clause (5) or (6) of Section 5.01, the Holders of not less than 25% in principal amount of all Outstanding Securities, shall have made written request to the Trustees to institute proceedings in respect of such Event of Default in their own names as Trustees hereunder;
- (3) such Holder or Holders have offered to the Trustees reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (4) the Trustees for 60 days after their receipt of such notice, request and offer of indemnity have failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustees during such 60-day period by the Holders of a majority or more in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or in the case of any Event of Default described in clause (5) or (6) of Section 5.01, by the Holders of a majority or more in principal amount of all Outstanding Securities;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of the same series, in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or of Holders of all Securities in the case of any Event of Default described in clause (5) or (6) of Section 5.01, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the same series, in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or of Holders of all Securities in the case of any Event of Default described in clause (5) or (6) of Section 5.01.

SECTION 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment, as provided herein (including, if applicable, Article Fourteen) and in such Security, of the principal of and premium (if any) and (subject to Section 3.07) interest (if any) on, such Security or payment of such coupon on the respective Stated Maturities expressed in such Security or coupon (or, in the case of redemption, on the Redemption Date or, in the case of repayment at the option of the Holder as contemplated by Article Twelve, on the Repayment Date) and subject to the limitations on a Holder's ability to institute suit contained Section 5.07, to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.09 Restoration of Rights and Remedies.

If either Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustees and the Holders of Securities and coupons shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustees and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities or coupons in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustees or to the Holders of Securities or coupons is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not, to the extent permitted by law, prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 Delay or Omission Not Waiver.

No delay or omission of the Trustees or of any Holder of any Security or coupon to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Five or by law to the Trustees or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustees or by the Holders, as the case may be.

SECTION 5.12 Control by Holders.

With respect to the Securities of any series, the Holders of not less than a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred on the Trustees, relating to or arising under clause (1), (2), (3), (4) or (7) of Section 5.01, and, with respect to all Securities, the Holders of not less than a majority in principal amount of all Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred on the Trustees, not relating to or arising under clause (1), (2), (3), (4) or (7) of Section 5.01, *provided* that in each case

- (1) such direction shall not be in conflict with any rule of law or with this Indenture,
- (2) the Trustees may take any other action deemed proper by the Trustees which is not inconsistent with such direction, and
- (3) the Trustees need not take any action which might involve them in personal liability or be unjustly prejudicial to the Holders of Securities of such series not consenting.

SECTION 5.13 Waiver of Past Defaults.

Subject to Section 5.02, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past Default described in clause (1), (2), (3), (4) or (7) of Section 5.01 (or, in the case of a Default described in clause (5) or (6) of Section 5.01, the Holders of not less than a majority in principal amount of all Outstanding Securities may waive any such past Default), and its consequences, except a default

- (1) in respect of the payment of the principal of, premium (if any) or interest (if any) on any Security or any related coupon, or
- (2) in respect of a covenant or provision herein which under Article Nine cannot be modified or amended without the consent of the Holder of each outstanding Security of such series affected.

Upon any such waiver, any such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 5.14 Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustees, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against either Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in Trust Indenture Legislation; *provided, however*, that neither this Section 5.15 nor the provisions of TIA Section 315(e) shall apply to any suit instituted by either Trustee or by any Holder or group of Holders holding more than 10% in principal amount of all Outstanding Securities or by any Holder of any Security on any suit for the enforcement of the right to receive the principal of and interest on any such Securities.

ARTICLE SIX THE TRUSTEES

SECTION 6.01 Notice of Defaults.

Each Trustee shall promptly give the other Trustee notice of any Default or Event of Default known to it. Within a reasonable time, but no more than 30 days after either Trustee has knowledge of any Default hereunder with respect to the Securities of any series, one or both of the Trustees shall transmit in the manner and to the extent provided in Trust Indenture Legislation, including TIA Section 313(c), notice to the Holders of such Default hereunder known to either Trustee, unless such Default shall have been cured or waived (and, in the case where such Default shall have been cured, the Trustees shall notify the Holders in writing of such cure in writing within a reasonable time, but not exceeding 30 days, after the Trustees have become aware that the Default has been cured); *provided, however*, that, except in the case of a Default in the payment of the principal of, premium (if any) or interest (if any) on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustees shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of each Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series and any related coupons; *provided further* that in the case of any Default of the character specified in clause (4) of Section 5.01 with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof.

SECTION 6.02 Certain Duties and Responsibilities of Trustees.

(a) The Trustees, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform with respect to the Securities of any series such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants shall be read into this Indenture against the Trustees.

(b) In all instances, in the exercise of the powers, rights, duties and discharge of obligations prescribed or conferred by the terms of this Indenture, each Trustee shall act honestly and in good faith with a view to the best interests of the Holders and exercise that degree of care, diligence and skill that a reasonably prudent trustee in respect of indentures for the purpose of issuing corporate debt obligations would exercise in comparable circumstances.

(c) No provision of this Indenture shall be construed to relieve each Trustee from liability for its own actions or failure to act in accordance with Subsection 6.02(b), except that:

- (i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

- (A) the duties and obligations of each Trustee with respect to the Securities of any series shall be determined solely by the express provisions of this Indenture, and the Trustees shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustees; and
- (B) in the absence of bad faith on the part of either Trustee, such Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustees and conforming to the requirements of this Indenture and Trust Indenture Legislation; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustees, the Trustees shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture; *provided, however*, the Canadian Trustee shall not be required to determine whether the certificates or opinions presented to it conform to the Trust Indenture Act and the U.S. Trustee shall not be required to determine whether the certificates or opinions presented to it conform to Canadian Trust Indenture Legislation.

- (ii) the Trustees shall not be liable with respect to any action taken or omitted to be taken by them in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Securities of any series at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred upon the Trustees under this Indenture;
- (iii) none of the provisions contained in this Indenture shall require either Trustee to expend or risk their own funds or otherwise incur personal or any financial liability in the performance of any of their duties or in the exercise of any of their rights or powers; and
- (iv) whether or not therein expressly so provided, except to the extent expressly provided herein to the contrary, every provision of this Indenture relating to the conduct or effecting the liability or affording protection to the Trustees shall be subject to the provisions of this Section 6.02.

(d) Notwithstanding the provisions of this Section 6.02 or any provision in this Indenture or in the Securities, the Trustees will not be charged with knowledge of the existence of any Event of Default or any other fact that would prohibit the making of any payment of monies to or by the Trustees, or the taking of any other action by the Trustees, unless and until the Trustees have received written notice thereof from the Company or any Holder.

SECTION 6.03 Certain Rights of Trustees.

Subject to the provisions of TIA Sections 315(a) through 315(d):

- (1) the Trustees may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction,

consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties;

- (2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;
- (3) whenever in the administration of this Indenture the Trustees shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, each Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;
- (4) the Trustees may consult with counsel and the written advice of such counsel or any opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by them hereunder in good faith and in reliance thereon;
- (5) the Trustees shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series or any related coupons pursuant to this Indenture, unless such Holders shall have offered to the Trustees reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by them in compliance with such request or direction;
- (6) the Trustees shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustees, in their discretion, may make such further inquiry or investigation into such facts or matters as they may see fit, and, if the Trustees shall determine to make such further inquiry or investigation, they shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;
- (7) in an Event of Default, the Trustees' powers shall not be infringed upon so long as they act in accordance with Section 6.02(b);
- (8) the Trustees may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustees shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by them hereunder; and
- (9) the Trustees shall not be liable for any action taken, suffered or omitted by them in good faith and believed by them to be authorized or within the discretion or rights or powers conferred upon them by this Indenture, so long as they act in accordance with this Section 6.02(b).

SECTION 6.04 Trustees Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except for a Trustee's certificate of authentication, and in any coupons shall be taken as the statements of the Company, and neither Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustees make no representations as to the validity or sufficiency of this Indenture or of the Securities or coupons, except

that the Trustees represent that they are duly authorized to execute and deliver this Indenture, authenticate the Securities and perform their obligations hereunder and that the statements made by the U.S. Trustee in a Statement of Eligibility on Form T-1 supplied to the Company are true and accurate, subject to the qualifications set forth therein. Neither Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof. Nothing herein contained will impose on either Trustee any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Indenture or any supplemental indenture. The Trustees shall not be bound to give notice to any person of the execution hereof.

SECTION 6.05 May Hold Securities.

The Trustees, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or of the Trustees, in their individual or any other capacity, may become the owner or pledgee of Securities and coupons and, subject to TIA Sections 310(b) and 311, may otherwise deal with the Company, including, without limitation, as a creditor of the Company, with the same rights they would have if they were not Trustees, Authenticating Agent, Paying Agent, Security Registrar or such other agent. A Trustee that has resigned or is removed shall remain subject to TIA Section 311(a) to the extent provided therein.

SECTION 6.06 Money Held in Trust.

Money held by the Trustees in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustees shall be under no liability for interest on any money received by them hereunder except as otherwise agreed with the Company.

SECTION 6.07 Compensation and Reimbursement.

The Company agrees:

- (1) to pay to the Trustees from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustees upon their request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of their agents and counsel), except any such expense, disbursement or advance as may be attributable to the U.S. Trustee's gross negligence or bad faith or the Canadian Trustee's gross negligence or willful misconduct, respectively; and
- (3) to indemnify the Trustees for, and to hold them and their directors, officers, agents, representatives, successors, assigns and employees harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the U.S. Trustee, or gross negligence or willful misconduct on the part of the Canadian Trustee, respectively, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including reasonable attorneys' fees and other reasonable costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder.

The obligations of the Company under this Section 6.07 to compensate the Trustees, to pay or reimburse the Trustees for expenses, disbursements and advances and to indemnify and hold harmless the Trustees shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee. As security for the performance of such obligations of the Company, the Trustees shall have a claim prior to the Securities upon all property and funds held or collected by the Trustees as such, except funds held in trust for the payment of principal of, premium (if any) or interest (if any) on particular Securities or any coupons.

When the Trustees incur expenses or render services in connection with an Event of Default specified in clause (5) or (6) of Section 5.01, the expenses (including reasonable charges and expense of its counsel) of and the compensation for such services are intended to constitute expenses of administration under any applicable United States or Canadian federal, state or provincial bankruptcy, insolvency or other similar law.

The provisions of this Section 6.07 shall survive the termination of this Indenture.

SECTION 6.08 Corporate Trustees Required; Eligibility.

- (1) There shall be at all times a U.S. Trustee hereunder which shall be eligible to act as Trustee under TIA Section 310(a)(1) and, together with its immediate parent, shall have a combined capital and surplus of at least \$50,000,000. If the U.S. Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of United States federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.08, the combined capital and surplus of U.S. Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the U.S. Trustee shall cease to be eligible in accordance with the provisions of this Section 6.08, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six.
- (2) For so long as required by Trust Indenture Legislation, there shall be a Canadian Trustee under this Indenture. The Canadian Trustee shall at all times be a resident or authorized to do business in the Province of [Ontario] and any other province in Canada where Holders may be resident from time to time. The Canadian Trustee represents and warrants that no material conflict of interest exists in the Canadian Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder. If any such material conflict of interests exists or hereafter shall exist, the validity and enforceability of this Indenture shall not be affected in any manner whatsoever by reason thereof.
- (3) The Trustees will not be required to give any bond or security in respect of the execution of the trusts and powers set out in this Indenture or otherwise in respect of the premises.
- (4) Neither Trustee nor any Affiliate of either Trustee shall be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Company.

SECTION 6.09 Resignation and Removal; Appointment of Successor.

- (1) No resignation or removal of either Trustee and no appointment of a successor Trustee pursuant to this Article Six shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.10.
- (2) Either Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 6.10 shall not have been delivered to such Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.
- (3) Either Trustee may be removed following 30 days notice at any time with respect to the Securities of any series by Act of the Holders of not less than a majority in principal amount of the Outstanding Securities of such series, delivered to such Trustee and to the Company.
- (4) If at any time:
 - (i) either Trustee shall acquire any conflicting interest as defined in TIA Section 310(b) and fail to comply with the provisions of TIA Section 310(b)(i), or
 - (ii) either Trustee shall fail to comply with the provisions of TIA Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or
 - (iii) either Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or
 - (iv) either Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of such Trustee or of its property shall be appointed or any public officer shall take charge or control of such Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,then, in any such case, (i) the Company, by a Board Resolution, may remove such Trustee with respect to all Securities, or (ii) subject to TIA Section 315(e), any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of such Trustee with respect to all Securities of such series and the appointment of a successor Trustee or Trustees.
- (5) If either Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the U.S. Trustee or the Canadian Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series) *provided, however*, that the Company shall not be required to appoint a successor Trustee to the Canadian Trustee if

the Canadian Trustee resigns or is removed and a Canadian Trustee under this Indenture is no longer required under Trust Indenture Legislation. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

- (6) The Company shall give notice of each resignation and each removal of a Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to the Holders of Securities of such series in the manner provided for in Section 1.07. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.
- (7) If a Canadian Trustee under this Indenture is no longer required by Trust Indenture Legislation, then the Company by a Board Resolution may remove the Canadian Trustee.

SECTION 6.10 Acceptance of Appointment by Successor.

- (1) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.
- (2) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to

provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates. Whenever there is a successor Trustee with respect to one or more (but less than all) series of Securities issued pursuant to this Indenture, the terms "Indenture" and "Securities" shall have the meanings specified in the provisos to the respective definitions of those terms in Section 1.01 which contemplate such situation.

- (3) Upon reasonable request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all rights, powers and trusts referred to in paragraph (1) or (2) of this Section 6.10, as the case may be.
- (4) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 6.11 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which either Trustee or its corporate trust business may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which either Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of either Trustee, shall be the successor of such Trustee hereunder, *provided* such corporation shall be otherwise qualified and eligible under this Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by a Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities. In case any of the Securities shall not have been authenticated by such predecessor Trustee, any successor Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee. In all such cases such certificates shall have the full force and effect which this Indenture provides for the certificate of authentication of such Trustee; *provided, however*, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 6.12 Appointment of Authenticating Agent.

At any time when any of the Securities remain outstanding, the Trustees may appoint an Authenticating Agent or Agents, with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustees to authenticate Securities of such series and the Trustees shall give written notice of such appointment to all Holders of Securities of the series with respect to which

such Authenticating Agent will serve, in the manner provided for in Section 1.07. Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the applicable Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by a Responsible Officer of the Trustees, and a copy of such instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustees or either Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustees by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustees by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia or the laws of Canada or any province thereof, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by United States federal or state or Canadian federal or provincial authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 6.12, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.12, it shall resign immediately in the manner and with the effect specified in this Section 6.12.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, *provided* such corporation shall be otherwise eligible under this Section 6.12, without the execution or filing of any paper or any further act on the part of the Trustees or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustees and to the Company. The Trustees may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.12, the Trustees may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 1.07. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.12.

The Trustees agree to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 6.12, and the Trustees shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.07.

If an appointment with respect to one or more series is made pursuant to this Section 6.12, the Securities of such series may have endorsed thereon, in addition to either Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

(Certificate of Authentication may be executed by either Trustee)

_____, as U.S. Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

_____,
as U.S. Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

_____, as Canadian Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

_____,
as Canadian Trustee

By: _____
As Authenticating Agent

By: _____
Authorized Officer

SECTION 6.13 Joint Trustees.

The rights, powers, duties and obligations conferred and imposed upon the Trustees are conferred and imposed upon and shall be exercised and performed by the U.S. Trustee and the Canadian Trustee individually, except to the extent the Trustees are required under Trust Indenture Legislation to perform such acts jointly, and neither Trustee shall be liable or responsible for the acts or omissions of the other Trustee. If the U.S. Trustee and Canadian Trustee are unable to agree jointly to act or refrain from acting, the applicable Trustee shall make the decision in accordance with its applicable legislation. Unless the context implies or requires otherwise, any written notice, request, direction, certificate, instruction, opinion or other document (each such document, a “**Writing**”) delivered pursuant to any provision of this Indenture to any of the U.S. Trustee or the Canadian Trustee shall be deemed for all purposes of this Indenture as delivery of such Writing to the Trustee. Each such Trustee in receipt of such Writing shall notify such other Trustee of its receipt of such Writing within two Business Days of such receipt *provided, however*, that any failure of such trustee in receipt of such Writing to so notify such other Trustee shall not be deemed as a deficiency in the delivery of such Writing to the Trustee.

SECTION 6.14 Other Rights of Trustees.

Each Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, either Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should either Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to all parties provided (i) that such Trustee's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to such Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

The parties hereto acknowledge that Canadian federal and provincial legislation addressing the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company, prior to transferring, or causing to be transferred, personal information to the Canadian Trustee, shall obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have been previously given and can be relied on or are not required under Privacy Laws. The Canadian Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees to (i) have designated a chief privacy officer; (ii) maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (iii) use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent and direction of the Company; (iv) not sell or otherwise improperly disclose personal information to any third party; and (v) use employee administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft or unauthorized access, use or modification.

It is expressly acknowledged and agreed that the Canadian Trustee may, in the course of providing services hereunder, collect or receive, use and disclose financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (i) to provide the services required under this Indenture and other services that may be requested from time to time;
- (ii) to help the Canadian Trustee manage its servicing relationships with such individuals;
- (iii) to meet the Canadian Trustee's legal and regulatory requirements; and
- (iv) if social insurance numbers are collected by the Canadian Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Further, each party agrees that it shall not provide or cause to be provided to the Canadian Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures. Notwithstanding anything to the contrary herein, the Company and the Trustees may,

without liability, disclose information about the Holders and beneficial owners or potential Holders or potential beneficial owners of the Securities pursuant to subpoena or other order issued by a court of competent jurisdiction or when otherwise required by applicable law.

Each Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be holders, subject to all the terms and conditions herein set forth.

ARTICLE SEVEN HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 7.01 Company to Furnish Trustees Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustees (1) not more than 15 days after each Regular Record Date, or such lesser time as required by the Trustees, a list, in such form as the Trustees may reasonably require, of the names and addresses of Holders as of such Regular Record Date; *provided, however*, that the Company shall not be obligated to furnish or cause to be furnished such list at any time that the list shall not differ in any respect from the most recent list furnished to the Trustees by the Company or at such times as either Trustee is acting as Security Registrar for the applicable series of Securities and (2) at such other times as the Trustees may request in writing within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished.

SECTION 7.02 Preservation of List of Names and Addresses of Holders.

The Trustees shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to them as provided in Section 7.01 and as to the names and addresses of Holders received by either Trustee in its capacity as Security Registrar for the applicable series of Securities (if acting in such capacity).

The Trustees may destroy any list furnished as provided in Section 7.01 upon receipt of a new list so furnished.

Holders may communicate as provided in TIA Section 312(b) with other Holders with respect to their rights under this Indenture or under the Securities.

SECTION 7.03 Disclosure of Names and Addresses of Holders.

Every Holder of Securities or coupons, by receiving and holding the same, agrees with the Company and the Trustees that none of the Company or the Trustees or any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with TIA Section 312, regardless of the source from which such information was derived, and that the Trustees shall not be held accountable by reason of mailing any material pursuant to a request made under TIA Section 312(b).

SECTION 7.04 Reports by Trustees.

- (1) Within 60 days after May 15 of each year commencing with the first year after the first issuance of Securities pursuant to this Indenture, the U.S. Trustee shall transmit to the Holders of Securities, in the manner and to the extent provided in TIA Section 313(c), a brief report dated as of such reporting date, if required by TIA Section 313(a).

- (2) The U.S. Trustee shall comply with TIA Sections 313(b) and 313(c).
- (3) A copy of such report shall, at the time of such transmission to the Holders, be filed by the U.S. Trustee with the Company, with each securities exchange upon which any of the Securities are listed (if so listed) and also with the Commission. The Company agrees to notify the Trustees when the Securities become listed on any securities exchange.

SECTION 7.05 Reports by the Company.

- (1) The Company will file with the Trustees, within 20 days after filing with or furnishing to the Commission, copies of its annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which the Company is required to file or furnish with the Commission pursuant to Section 13 or 15(d) of the Exchange Act or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustees and the Commission, in accordance with rules and regulations prescribed by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations; *provided* that any such reports, information or documents filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval (EDGAR) system shall be deemed filed with the Trustees.
- (2) The Company will transmit to all Holders, in the manner and to the extent provided in TIA Section 313(c), within 30 days after the filing thereof with the Trustees, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraph (1) of this Section 7.05 as may be required by rules and regulations prescribed from time to time by the Commission.
- (3) If at any time the Securities are guaranteed by a direct or indirect parent of the Company, and such parent has furnished the reports required by this Section 7.05 with respect to parent as required by this Section 7.05 as if parent were the Company (including any financial information required hereby), the Company shall be deemed to be in compliance with this Section 7.05.

**ARTICLE EIGHT
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE**

SECTION 8.01 Company May Consolidate, etc., only on Certain Terms.

The Company shall not amalgamate or consolidate with or merge into or enter into any statutory arrangement with any other Person, or, directly or indirectly, convey, transfer or lease all or substantially all of its properties and assets to any Person, unless:

- (1) the Person formed by or continuing from such amalgamation or consolidation or into which the Company is merged or with which it enters into such statutory arrangement or the Person which acquires by operation of law or by conveyance or transfer, or which

leases, all or substantially all of the properties and assets of the Company shall be a corporation, partnership or trust organized and validly existing under the laws of Canada or any province or territory thereof, the United States of America or any state thereof or the District of Columbia or, if such amalgamation, consolidation, merger, statutory arrangement or other transaction would not impair the rights of Holders, any other country, and, unless the Company is the continuing corporation, shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustees, in form satisfactory to the Trustees, the Company's obligation for the due and punctual payment of the principal of, premium (if any) and interest (if any) on all the Securities and the performance and observance of every covenant of this Indenture on the part of the Company to be performed or observed;

- (2) immediately after giving effect to such transaction, no Default or Event of Default shall have happened and be continuing; and
- (3) the Company or such Person shall have delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, statutory arrangement or other transaction and such supplemental indenture comply with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been complied with.

Notwithstanding the above, the Company may consolidate with, amalgamate with, undergo an arrangement with, merge with or into an Affiliate of the Company solely for the purpose of reincorporating the Company in a state of the United States or the District of Columbia or in another province or territory of Canada.

This Section 8.01 shall only apply to a merger, consolidation or amalgamation in which the Company is not the surviving Person and to conveyances, leases and transfers by the Company as transferor or lessor.

SECTION 8.02 Successor Person Substituted.

Upon any amalgamation or consolidation by the Company with or merger by the Company into any other corporation or a statutory arrangement or any conveyance, transfer or lease of all or substantially all of the properties and assets of the Company to any Person in accordance with Section 8.01, the successor Person formed by such amalgamation or consolidation or into which the Company is merged or statutory arrangement, or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and in the event of any such conveyance or transfer, the Company (which term shall for this purpose mean the Person named as the "Company" in the first paragraph of this Indenture or any successor Person which shall theretofore become such in the manner described in Section 8.01), except in the case of a lease, shall be discharged of all obligations and covenants under this Indenture and the Securities and the coupons and may be dissolved and liquidated.

ARTICLE NINE
SUPPLEMENTAL INDENTURES

SECTION 9.01 Supplemental Indentures Without Consent of Holders.

Notwithstanding Section 9.02, without the consent of any Holders, the Company, when authorized by or pursuant to a Board Resolution, and the Trustees, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustees, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained herein and in the Securities; or
- (2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities and any related coupons (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or
- (3) to add any additional Events of Default (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series); or
- (4) to delete or modify any Events of Default with respect to all or any series of the Securities, the form and terms of which are being established pursuant to such supplemental indenture as permitted in Section 3.01 (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series, and to specify the rights and remedies of the Trustees and the Holders of such Securities in connection therewith); or
- (5) to add to or change any of the provisions of this Indenture to provide that Bearer Securities may be registrable as to principal, to change or eliminate any restrictions on the payment of principal of or any premium or interest on Bearer Securities, to permit Bearer Securities to be issued in exchange for Registered Securities, to permit Bearer Securities to be issued in exchange for Bearer Securities of other authorized denominations or to permit or facilitate the issuance of Securities in uncertificated form; *provided* that any such action shall not adversely affect the interests of the Holders of Securities of any series or any related coupons in any material respect; or
- (6) to change or eliminate any of the provisions of this Indenture; *provided* that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or
- (7) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 3.01; or
- (8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.10; or

- (9) to close this Indenture with respect to the authentication and delivery of additional series of Securities; or
- (10) to cure any ambiguity or to correct or supplement any provision contained herein or in any indenture supplemental hereto which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture or to conform the terms hereof, as amended and supplemented, that are applicable to the Securities of any series to the description of the terms of such Securities in the offering memorandum, prospectus supplement or other offering document applicable to such Securities at the time of initial sale thereof; or
- (11) to make any change in any series of Securities that does not adversely affect in any material respect the rights of the Holders of such Securities; or
- (12) to add to or change or eliminate any provision of this Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act; or
- (13) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 4.01, 14.02 and 14.03; *provided* that any such action shall not adversely affect the interests of the Holders of Securities of such series and any related coupons or any other series of Securities in any material respect; or
- (14) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualifications of this Indenture under any applicable law of the United States and Canada or of any province or territory thereof to the extent they do not conflict with the applicable law of the United States heretofore or hereafter enacted.

SECTION 9.02 Supplemental Indentures with Consent of Holders.

Except as provided in Section 9.01 and this Section 9.02, with the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustees, the Company, when authorized by or pursuant to a Board Resolution, and the Trustees may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture which affect such series of Securities or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; *provided, however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security of such series,

- (1) change the Stated Maturity of the principal of, premium (if any) or any installment of interest (if any) on any Security of such series, or reduce the principal amount thereof, premium (if any) or the rate of interest (if any) thereon, or reduce the amount of the principal of an Original Issue Discount Security of such series that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02 or the amount thereof provable in bankruptcy pursuant to Section 5.04, or adversely affect any right of repayment at the option of any Holder of any Security of such series, or change any Place of Payment where, or the Currency in which, any

Security of such series or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the Redemption Date or Repayment Date, as the case may be), or adversely affect any right to convert or exchange any Security as may be provided pursuant to Section 3.01 herein, or

- (2) reduce the percentage in principal amount of the Outstanding Securities of such series required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture which affect such series or certain defaults applicable to such series hereunder and their consequences provided for in this Indenture, or reduce the requirements of Section 15.04 for quorum or voting with respect to Securities of such series, or
- (3) modify any of the provisions of this 9.02 Section, Section 5.13 or Section 10.09, except to increase any such percentage or to provide that certain other provisions of this Indenture which affect such series cannot be modified or waived without the consent of the Holder of each Outstanding Security of such series.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series. Any such supplemental indenture adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, or modifying in any manner the rights of the Holders of Securities of such series, shall not affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this 9.02 Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustees shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. Each Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects such Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.04 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05 Conformity with Trust Indenture Legislation.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of Trust Indenture Legislation as then in effect.

SECTION 9.06 Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustees, bear a notation in form approved by the Trustees as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustees and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustees in exchange for outstanding Securities of such series.

SECTION 9.07 Notice of Supplemental Indentures.

Promptly after the execution by the Company and the Trustees of any supplemental indenture pursuant to the provisions of Section 9.02, the Company shall give notice thereof to the Holders of each outstanding Security affected, in the manner provided for in Section 1.07, setting forth in general terms the substance of such supplemental indenture.

**ARTICLE TEN
COVENANTS****SECTION 10.01 Payment of Principal, Premium and Interest.**

The Company covenants and agrees for the benefit of the Holders of each series of Securities and any related coupons that it will duly and punctually pay the principal of, premium (if any) and interest (if any), on the Securities of that series in accordance with the terms of the Securities, any coupons appertaining thereto and this Indenture. Unless otherwise specified as contemplated by Section 3.01 with respect to any series of Securities, any interest installments due on Bearer Securities on or before Maturity shall be payable only upon presentation and surrender of the several coupons for such interest installments as are evidenced thereby as they severally mature.

SECTION 10.02 Maintenance of Office or Agency.

- (1) If the Securities of a series are issuable as Registered Securities, the Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, where Securities of that series that are convertible or exchangeable may be surrendered for conversion or exchange, as applicable, and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served and, if the Securities of a series are also issuable as Bearer Securities, where Bearer Securities of that series and related coupons may be presented or surrendered for payment in the circumstances described in Subsection 10.02(3).
- (2) If Securities of a series are issuable as Bearer Securities, the Company will maintain (A) subject to any laws or regulations applicable thereto, in a Place of Payment for that series which is located outside the United States, an office or agency where Securities of that series and related coupons may be presented and surrendered for payment; *provided*,

however, that, if the Securities of that series are listed on any securities exchange located outside the United States and such securities exchange shall so require, the Company will maintain a Paying Agent for the Securities of that series in any required city located outside the United States so long as the Securities of that series are listed on such exchange and (B) subject to any laws or regulations applicable thereto, in a Place of Payment for that series located outside the United States an office or agency where any Registered Securities of that series may be surrendered for registration of transfer, where Securities of that series may be surrendered for exchange, where Securities of that series that are convertible and exchangeable may be surrendered for conversion or exchange, as applicable, and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served.

- (3) The Company will give prompt written notice to the Trustees of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustees with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Offices of the Trustees, except that Bearer Securities of any series and the related coupons may be presented and surrendered for payment at the offices specified in the Security and the Company hereby appoints the same as its agents to receive such respective presentations, surrenders, notices and demands.
- (4) Unless otherwise specified with respect to any Securities pursuant to Section 3.01, no payment of principal, premium or interest on Bearer Securities shall be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States; *provided, however*, that, if the Securities of a series are payable in Dollars, payment of principal of, premium (if any) and interest (if any), on any Bearer Security shall be made at the office of the Company's Paying Agent in The City of New York, if (but only if) payment in Dollars of the full amount of such principal, premium or interest, as the case may be, at all offices or agencies outside the United States maintained for such purpose by the Company in accordance with this Indenture is illegal or effectively precluded by exchange controls or other similar restrictions.
- (5) The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustees of any such designation or rescission and of any change in the location of any such other office or agency. Unless otherwise specified with respect to any Securities as contemplated by Section 3.01 with respect to a series of Securities, the Company hereby initially appoints the U.S. Trustee at its Corporate Trust Office as Paying Agent in such city and as its agent to receive all such presentations, surrenders, notices and demands.
- (6) Unless otherwise specified with respect to any Securities pursuant to Section 3.01, if and so long as the Securities of any series (i) are denominated in a Currency other than Dollars or (ii) may be payable in a Currency other than Dollars, or so long as it is required under any other provision of the Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent.

SECTION 10.03 Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities and any related coupons, it will, on or before each due date of the principal of, premium (if any) or interest (if any) on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the principal of, premium (if any) or interest (if any) on Securities of such series so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustees of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities and any related coupons, it will, prior to or on each due date of the principal of, premium (if any) or interest (if any) on any Securities of that series, deposit with a Paying Agent a sum (in the Currency described in the preceding paragraph) sufficient to pay the principal, premium (if any) or interest (if any) so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is a Trustee) the Company will promptly notify the Trustees of its action or failure so to act.

The Company will cause each Paying Agent (other than the Trustees) for any series of Securities to execute and deliver to the Trustees an instrument in which such Paying Agent shall agree with the Trustees, subject to the provisions of this 10.03 Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of the principal of, premium (if any) and interest (if any) on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustees notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any payment of principal of, premium (if any) or interest (if any) on the Securities of such series; and
- (3) at any time during the continuance of any such default, upon the written request of the Trustees, forthwith pay to the Trustees all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustees all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustees upon the same trusts as those upon which sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustees, such Paying Agent shall be released from all further liability with respect to such sums.

Except as provided in the Securities of any series, any money deposited with the Trustees or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium (if any) or interest (if any) on any Security of any series, or any coupon appertaining thereto, and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security or coupon shall thereafter, as an unsecured general creditor,

look only to the Company for payment thereof, and all liability of the Trustees or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided, however*, that the Trustees or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 10.04 Statement as to Compliance.

The Company shall deliver to the Trustees, on or before 120 days after the end of the Company's fiscal year, an Officer's Certificate stating that a review of the activities of the Company during such fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer, that the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred and is continuing, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or propose to take with respect thereto). The Company shall deliver to the Trustees upon demand evidence in such form as the Trustees may require as to compliance by the Company with any condition or covenant of the Company set out herein relating to any action required or permitted to be taken by the Company under this Indenture or as a result of any obligation imposed by this Indenture. For purposes of this Section 10.04, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 10.05 Payment of Taxes and Other Claims.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon the Company or upon the income, profits or property of the Company, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon any property or assets of the Company; *provided, however*, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 10.06 Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the rights (charter and statutory) and franchises of the Company; *provided, however*, that the Company shall not be required to preserve any such right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 10.07 Waiver of Certain Covenants.

The Company may, with respect to any series of Securities, omit in any particular instance to comply with any term, provision or condition which affects such series set forth in Sections 10.06 and 10.07, or, as specified pursuant to Section 3.01(19) for Securities of such series, in any covenants of the Company added to this Article Ten pursuant to Section 3.01(19) in connection with Securities of such series, if before the time for such compliance the Holders of at least a majority in principal amount of all Outstanding Securities of any series, by Act of such Holders, waive such compliance in such instance

with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustees to Holders of Securities of such series in respect of any such term, provision or condition shall remain in full force and effect.

ARTICLE ELEVEN

REDEMPTION OF SECURITIES

SECTION 11.01 Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Eleven.

SECTION 11.02 Election to Redeem; Notice to Trustees.

The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustees), notify the Trustees of such Redemption Date and of the principal amount of Securities of such series to be redeemed and shall deliver to the Trustees such documentation and records as shall enable the Trustees to select the Securities to be redeemed pursuant to Section 11.03. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish to the Trustees an Officer's Certificate evidencing compliance with such restriction.

SECTION 11.03 Selection by Trustees of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustees, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustees shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Securities of such series; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than the minimum authorized denomination for Securities of such series established pursuant to Section 3.01.

The Trustees shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 11.04 Notice of Redemption.

Except as otherwise specified as contemplated by Section 3.01, notice of redemption shall be given in the manner provided for in Section 1.07 not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed. Failure to give notice in the manner provided in Section 1.07 to the Holder of any Securities designated for redemption as a whole or in part, or any defect in the notice to any such Holder, shall not affect the validity of the proceedings for the redemption of any other Securities or portion thereof.

All notices of redemption shall state:

- (1) the Redemption Date,
- (2) the Redemption Price and the amount of accrued interest to the Redemption Date payable as provided in Section 11.06, if any,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,
- (4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,
- (5) that on the Redemption Date, the Redemption Price and accrued interest (if any) to the Redemption Date payable as provided in Section 11.06 will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (6) the Place or Places of Payment where such Securities, together in the case of Bearer Securities with all coupons appertaining thereto, if any, maturing after the Redemption Date, are to be surrendered for payment of the Redemption Price and accrued interest (if any),
- (7) that the redemption is for a sinking fund, if such is the case,
- (8) that, unless otherwise specified in such notice, Bearer Securities of any series, if any, surrendered for redemption must be accompanied by all coupons maturing subsequent to the Redemption Date or the amount of any such missing coupon or coupons will be deducted from the Redemption Price unless security or indemnity satisfactory to the Company, the Trustees and any Paying Agent is furnished, and
- (9) if Bearer Securities of any series are to be redeemed and any Registered Securities of such series are not to be redeemed, and if such Bearer Securities may be exchanged for Registered Securities not subject to redemption on such Redemption Date pursuant to Section 3.05 or otherwise, the last date, as determined by the Company, on which such exchanges may be made.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustees in the name and at the expense of the Company.

SECTION 11.05 Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with a Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in

Section 10.03) an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the Redemption Price of, and accrued interest (if any) on, all the Securities which are to be redeemed on that date.

SECTION 11.06 Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) (together with accrued interest (if any) to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest (if any)) such Securities shall, if the same were interest-bearing, cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be redeemed, except to the extent provided below, shall be void. Upon surrender of any such Security for redemption in accordance with said notice, together with all coupons, if any, appertaining thereto maturing after the Redemption Date, such Security shall be paid by the Company at the Redemption Price, together with accrued interest (if any), to the Redemption Date; *provided, however*, that installments of interest on Bearer Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.02) and, unless otherwise specified as contemplated by Section 3.01, only upon presentation and surrender of coupons for such interest; *provided further* that installments of interest on Registered Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant record dates according to their terms and the provisions of Section 3.07.

If any Bearer Security surrendered for redemption shall not be accompanied by all appurtenant coupons maturing after the Redemption Date, such Security may be paid after deducting from the Redemption Price an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustees if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustees or any Paying Agent any such missing coupon in respect of which a deduction shall have been made from the Redemption Price, such Holder shall be entitled to receive the amount so deducted; *provided, however*, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.02) and, unless otherwise specified as contemplated by Section 3.01, only upon presentation and surrender of those coupons.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 11.07 Securities Redeemed in Part.

Any Security which is to be redeemed only in part (pursuant to the provisions of this Article Eleven or of Article Twelve) shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustees so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustees duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the applicable Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

**ARTICLE TWELVE
SINKING FUNDS**

SECTION 12.01 Applicability of Article.

Retirements of Securities of any series pursuant to any sinking fund shall be made in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Twelve.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a “**mandatory sinking fund payment**,” and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an “**optional sinking fund payment**”. If provided for by the terms of Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 12.02 Satisfaction of Sinking Fund Payments with Securities.

Subject to Section 12.03, in lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (1) deliver to the Trustees Outstanding Securities of a such series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company together in the case of any Bearer Securities of such series with all un-matured coupons appertaining thereto, and/or (2) receive credit for the principal amount of Securities of such series which have been previously delivered to the Trustees by the Company or redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of the same series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; *provided, however*, that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustees at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 12.03 Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustees an Officer's Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) and the portion thereof, if any, which is to be satisfied by delivering or crediting Securities of that series pursuant to Section 12.02 (which Securities will, if not previously delivered, accompany such certificate) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series.

Such certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking

fund payment date. In the case of the failure of the Company to deliver such certificate, the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Securities subject to a mandatory sinking fund payment without the option to deliver or credit Securities as provided in Section 12.02 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Not more than 60 days before each such sinking fund payment date the Trustees shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 11.06 and 11.07.

Prior to any sinking fund payment date, the Company shall pay to the Trustees or a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) in cash a sum equal to any interest that will accrue to the date fixed for redemption of Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this 12.03 Section.

Notwithstanding the foregoing, with respect to a sinking fund for any series of Securities, if at any time the amount of cash to be paid into such sinking fund on the next succeeding sinking fund payment date, together with any unused balance of any preceding sinking fund payment or payments for such series, does not exceed in the aggregate \$100,000, the Trustees, unless requested by the Company, shall not give the next succeeding notice of the redemption of Securities of such series through the operation of the sinking fund. Any such unused balance of moneys deposited in such sinking fund shall be added to the sinking fund payment for such series to be made in cash on the next succeeding sinking fund payment date or, at the request of the Company, shall be applied at any time or from time to time to the purchase of Securities of such series, by public or private purchase, in the open market or otherwise, at a purchase price for such Securities (excluding accrued interest and brokerage commissions, for which the Trustees or any Paying Agent will be reimbursed by the Company) not in excess of the principal amount thereof.

ARTICLE THIRTEEN

REPAYMENT AT OPTION OF HOLDERS

SECTION 13.01 Applicability of Article.

Repayment of Securities of any series before their Stated Maturity at the option of Holders thereof shall be made in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Thirteen.

SECTION 13.02 Repayment of Securities.

Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest (if any) thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that, with respect to such Securities, on or before the Repayment Date it will deposit with a Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the principal (or, if so provided by the

terms of the Securities of any series, a percentage of the principal) of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest (if any) on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

SECTION 13.03 Exercise of Option.

Securities of any series subject to repayment at the option of the Holders thereof will contain an “Option to Elect Repayment” form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the “Option to Elect Repayment” form on the reverse of such Security duly completed by the Holder (or by the Holder’s attorney duly authorized in writing), must be received by the Company at the Place of Payment therefor specified in the terms of such Security (or at such other place or places which the Company shall from time to time notify the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

SECTION 13.04 When Securities Presented for Repayment Become Due and Payable.

If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article Thirteen and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the payment of such Securities on such Repayment Date) such Securities shall, if the same were interest- bearing, cease to bear interest and the coupons for such interest appertaining to any Bearer Securities so to be repaid, except to the extent provided below, shall be void. Upon surrender of any such Security for repayment in accordance with such provisions, together with all coupons, if any, appertaining thereto maturing after the Repayment Date, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest (if any) to the Repayment Date; *provided, however*, that coupons whose Stated Maturity is on or prior to the Repayment Date shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.02) and, unless otherwise specified pursuant to Section 3.01, only upon presentation and surrender of such coupons; *provided further* that, in the case of Registered Securities, installments of interest (if any) whose Stated Maturity is on or prior to the Repayment Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.07.

If any Bearer Security surrendered for repayment shall not be accompanied by all appurtenant coupons maturing after the Repayment Date, such Security may be paid after deducting from the amount payable therefor as provided in Section 13.02 an amount equal to the face amount of all such missing coupons, or the surrender of such missing coupon or coupons may be waived by the Company and the Trustees if there be furnished to them such security or indemnity as they may require to save each of them and any Paying Agent harmless. If thereafter the Holder of such Security shall surrender to the Trustees

or any Paying Agent any such missing coupon in respect of which a deduction shall have been made as provided in the preceding sentence, such Holder shall be entitled to receive the amount so deducted; *provided, however*, that interest represented by coupons shall be payable only at an office or agency located outside the United States (except as otherwise provided in Section 10.02) and, unless otherwise specified as contemplated by Section 3.01, only upon presentation and surrender of those coupons.

If any Security surrendered for repayment shall not be so repaid upon surrender thereof for repayment, the principal amount and premium (if any) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 13.05 Securities Repaid in Part.

Upon surrender of any Registered Security which is to be repaid in part only, the Company shall execute and the applicable Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Registered Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

ARTICLE FOURTEEN DEFEASANCE AND COVENANT DEFEASANCE

SECTION 14.01 Company's Option to Effect Defeasance or Covenant Defeasance.

Except as otherwise specified as contemplated by Section 3.01 for Securities of any series, the provisions of this Article Fourteen shall apply to each series of Securities, and the Company may, at its option, effect defeasance of the Securities of or within a series under Section 14.02, or covenant defeasance of or within a series under Section 14.03 in accordance with the terms of such Securities and in accordance with this Article Fourteen.

SECTION 14.02 Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section 14.02 with respect to any Securities of or within a series, the Company shall be deemed to have been discharged from its obligations with respect to such Securities and any related coupons on the date the conditions set forth in Section 14.04 are satisfied (hereinafter, "**defeasance**"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such Securities and any related coupons, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 14.05 and the other Sections of this Indenture referred to in (A) and (B) below, and to have satisfied all of its other obligations under such Securities and any related coupons and this Indenture insofar as such Securities and any related coupons are concerned (and the Trustees, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of such Securities and any related coupons to receive, solely from the trust fund described in Section 14.04 and as more fully set forth in such Section, payments in respect of the principal of, premium (if any) and interest (if any) on such Securities and any related coupons when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 3.05, 3.06, 10.02 and 10.03, (C) the rights, powers, trusts, duties and immunities of the Trustees hereunder and (D) this Article Fourteen. Subject to compliance with this Article Fourteen, the Company may exercise its option under this Section 14.02 notwithstanding the prior exercise of its option under Section 14.03 with respect to such Securities and any related coupons.

SECTION 14.03 Covenant Defeasance.

Upon the Company's exercise of the above option applicable to this Section 14.03 with respect to any Securities of or within a series, the Company shall be released from its obligations under Sections 10.05 and 10.06, and, if specified pursuant to Section 3.01, its obligations under any other covenant, with respect to such Securities and any related coupons on and after the date the conditions set forth in Section 14.04 are satisfied (hereinafter, "**covenant defeasance**"), and such Securities and any related coupons shall thereafter be deemed not to be "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to such Securities and any related coupons, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under clauses (4) or (7) of Section 5.01 or otherwise but, except as specified above, the remainder of this Indenture and such Securities and any related coupons shall be unaffected thereby.

SECTION 14.04 Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 14.02 or Section 14.03 to any Securities of or within a series and any related coupons:

- (1) The Company shall irrevocably have deposited or caused to be deposited with either Trustee (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities and any related coupons, (A) an amount (in such Currency in which such Securities and any related coupons are then specified as payable at Stated Maturity), or (B) Government Obligations applicable to such Securities (determined on the basis of the Currency in which such Securities are then specified as payable at Stated Maturity) which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of and premium (if any) and interest (if any) under such Securities and any related coupons, money in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustees, to pay and discharge, and which shall be applied by the Trustees (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen) to pay and discharge, (i) the principal of, premium (if any) and interest (if any) on such Securities and any related coupons on the Stated Maturity (or Redemption Date, if applicable) of such principal of, premium (if any) or installment of interest (if any), (ii) any mandatory sinking fund payments or analogous payments applicable to such Securities and any related coupons on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities and any related coupons, and (iii) all amounts due the Trustees under Section 6.07; *provided* that the Trustees shall have been irrevocably instructed to apply such money or the proceeds of such Government Obligations to said payments with respect to such Securities and any related coupons. Before such a deposit, the Company may give to the Trustees, in accordance with Section 11.02, a notice of its election to redeem all or any portion of such Securities

at a future date in accordance with the terms of such Securities and Article Eleven hereof, which notice shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing.

- (2) No Default or Event of Default with respect to such Securities or any related coupons shall have occurred and be continuing on the date of such deposit or, insofar as clauses (5) and (6) of Section 5.01 are concerned, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (3) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default or an Event of Default under, this Indenture or any default under any material agreement or instrument to which the Company is a party or by which it is bound.
- (4) In the case of an election under Section 14.02, the Company shall have delivered to the Trustees an Opinion of Counsel in the United States stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of execution of this Indenture, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities and any related coupons will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.
- (5) In the case of an election under Section 14.03, the Company shall have delivered to the Trustees an Opinion of Counsel in the United States to the effect that the Holders of such Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.
- (6) The Company shall have delivered to the Trustees an Opinion of Counsel in Canada or a ruling from the Canada Revenue Agency to the effect that the Holders of such Securities will not recognize income, gain or loss for Canadian federal, provincial or territorial income tax or other tax purposes as a result of such defeasance or covenant defeasance, as applicable, and will be subject to Canadian federal, provincial or territorial income tax and other tax on the same amounts, in the same manner and at the same times as would have been the case had such defeasance or covenant defeasance, as applicable, not occurred (and for the purposes of such opinion, such Canadian counsel shall assume that Holders of such Securities include Holders who are not resident in Canada).
- (7) The Company is not an “insolvent person” within the meaning of the Bankruptcy and Insolvency Act (Canada) on the date of such deposit or at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (8) Notwithstanding any other provisions of this Section 14.04, such defeasance or covenant defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations in connection therewith pursuant to Section 3.01.

- (9) The Company shall have delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for, relating to either the defeasance under Section 14.02 or the covenant defeasance under Section 14.03 (as the case may be), have been complied with.

SECTION 14.05 Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 10.03, all money and Government Obligations (or other property as may be provided pursuant to Section 3.01) (including the proceeds thereof) deposited with a Trustee (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen) pursuant to Section 14.04 in respect of such Securities and any related coupons shall be held in trust and applied by such Trustee, in accordance with the provisions of such Securities and any related coupons and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), to the Holders of such Securities and any related coupons of all sums due and to become due thereon in respect of principal, premium (if any) and interest (if any) on such Securities but such money need not be segregated from other funds except to the extent required by law.

Unless otherwise specified with respect to any Security pursuant to Section 3.01, if, after a deposit referred to in Section 14.04(1) has been made, (a) the Holder of a Security in respect of which such deposit was made is entitled to, and does, elect pursuant to Section 3.12(b) or the terms of such Security to receive payment in a Currency other than that in which the deposit pursuant to Section 14.04(1) has been made in respect of such Security, or (b) a Conversion Event occurs as contemplated in Section 3.12(d) or 3.12(e) or by the terms of any Security in respect of which the deposit pursuant to Section 14.04(1) has been made, the indebtedness represented by such Security and any related coupons shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of, premium (if any) and interest (if any) on such Security as they become due out of the proceeds yielded by converting (from time to time as specified below in the case of any such election) the amount or other property deposited in respect of such Security into the Currency in which such Security becomes payable as a result of such election or Conversion Event based on the applicable Market Exchange Rate for such Currency in effect on the third Business Day prior to each payment date, except, with respect to a Conversion Event, for such Currency in effect (as nearly as feasible) at the time of the Conversion Event.

The Company shall pay and indemnify such Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Section 14.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of such Securities and any related coupons.

Anything in this Article Fourteen to the contrary notwithstanding, such Trustee shall deliver or pay to the Company from time to time upon Company Request any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in Section 14.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to such Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance, as applicable, in accordance with this Article Fourteen.

SECTION 14.06 Reinstatement.

If a Trustee or any Paying Agent is unable to apply any money in accordance with Section 14.05 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and such Securities and any related coupons shall be revived and reinstated as though no deposit had occurred pursuant to Section 14.02 or 14.03, as the case may be, until such time as such Trustee or Paying Agent is permitted to apply all such money in accordance with Section 14.05; *provided, however*, that if the Company makes any payment of principal of, premium (if any) or interest (if any) on any such Security or any related coupon following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities and any related coupons to receive such payment from the money held by such Trustee or Paying Agent.

**ARTICLE FIFTEEN
MEETINGS OF HOLDERS OF SECURITIES**

SECTION 15.01 Purposes for Which Meetings May Be Called.

If Securities of a series are issuable as Bearer Securities, a meeting of Holders of Securities of such series may be called at any time and from time to time pursuant to this Article Fifteen to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series.

SECTION 15.02 Call, Notice and Place of Meetings.

- (1) The Trustees may at any time call a meeting of Holders of Securities of any series for any purpose specified in Section 15.01, to be held at such time and at such place in The City of New York, in Toronto or in London as the Trustees shall determine. Notice of every meeting of Holders of Securities of any series, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided for in Section 1.07, not less than 21 nor more than 180 days prior to the date fixed for the meeting.
- (2) In case at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in principal amount of the Outstanding Securities of any series shall have requested the Trustees to call a meeting of the Holders of Securities of such series for any purpose specified in Section 15.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustees shall not have made the first publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series in the amount above specified, as the case may be, may determine the time and the place in The City of New York, in Toronto or in London for such meeting and may call such meeting for such purposes by giving notice thereof as provided in paragraph (1) of this Section 15.02.

SECTION 15.03 Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of any series, a Person shall be (1) a Holder of one or more Outstanding Securities of such series, or (2) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of

Holders of Securities of any series shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustees and their counsel and any representatives of the Company and its counsel.

SECTION 15.04 Quorum; Action.

The Persons entitled to vote a majority in principal amount of the Outstanding Securities of a series shall constitute a quorum for a meeting of Holders of Securities of such series; *provided, however*, that, if any action is to be taken at such meeting with respect to a consent or waiver which this Indenture expressly provides may be given by the Holders of not less than a specified percentage in principal amount of the Outstanding Securities of a series, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series, be dissolved. In any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chair of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than 10 days as determined by the chair of the meeting prior to the adjournment of such adjourned meeting. Notice of the reconvening of any adjourned meeting shall be given as provided in Section 15.02(a), except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of any adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series which shall constitute a quorum.

Subject to the foregoing, at the reconvening of any meeting adjourned for lack of a quorum the Persons entitled to vote 25% in principal amount of the Outstanding Securities at the time shall constitute a quorum for the taking of any action set forth in the notice of the original meeting.

Except as limited by the proviso to Section 9.02, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted by the affirmative vote of the Holders of not less than a majority in principal amount of the Outstanding Securities of such series who have casted their votes; *provided, however*, that, except as limited by the proviso to Section 9.02, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of not less than such specified percentage in principal amount of the Outstanding Securities of such series.

Any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with this Section 15.04 shall be binding on all the Holders of Securities of such series and the related coupons, whether or not present or represented at the meeting.

Notwithstanding the foregoing provisions of this Section 15.04, if any action is to be taken at a meeting of Holders of Securities of any series with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage in principal amount of all Outstanding Securities affected thereby, or of the Holders of such series and one or more additional series:

- (i) there shall be no minimum quorum requirement for such meeting; and

- (ii) the principal amount of the Outstanding Securities of such series that vote in favor of such request, demand, authorization, direction, notice, consent, waiver or other action shall be taken into account in determining whether such request, demand, authorization, direction, notice, consent, waiver or other action has been made, given or taken under this Indenture.

SECTION 15.05 Determination of Voting Rights; Conduct and Adjournment of Meetings.

- (1) Notwithstanding any provisions of this Indenture, the Trustees may make such reasonable regulations as they may deem advisable for any meeting of Holders of Securities of a series in regard to proof of the holding of Securities of such series and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as they shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 1.05 and the appointment of any proxy shall be proved in the manner specified in Section 1.05 or by having the signature of the person executing the proxy witnessed or guaranteed by any trust company, bank or banker authorized by Section 1.05 to certify to the holding of Bearer Securities. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 1.05 or other proof.
- (2) The Trustees shall, by an instrument in writing appoint a temporary chair of the meeting, unless the meeting shall have been called by the Company or by Holders of Securities as provided in Section 15.02(b), in which case the Company or the Holders of Securities of the series calling the meeting, as the case may be, shall in like manner appoint a temporary chair. A permanent chair and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting.
- (3) At any meeting each Holder of a Security of such series or proxy shall be entitled to one vote for each \$1,000 principal amount of Outstanding Securities of such series held or represented by him (determined as specified in the definition of "Outstanding" in Section 1.01); *provided, however*, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chair of the meeting to be not Outstanding. The chair of the meeting shall have no right to vote, except as a Holder of a Security of such series or a proxy.
- (4) Any meeting of Holders of Securities of any series duly called pursuant to Section 15.02 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in principal amount of the Outstanding Securities of such series represented at the meeting; and the meeting may be held as so adjourned without further notice.

SECTION 15.06 Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders of Securities of any series shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities of such series or of their representatives by proxy and the principal amounts and serial numbers, if any, of the Outstanding Securities of such series held or represented by them. The permanent chair of the meeting

shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Holders of Securities of any series shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 15.02 and, if applicable, Section 15.04. Each copy shall be signed and verified by the affidavits of the permanent chair and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustees to be preserved by the Trustees, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

CYBIN INC.

By: _____
Name: _____
Title: _____

_____,
as U.S. Trustee

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

_____,
as Canadian Trustee

By: _____
Name: _____
Title: Authorized Signing Officer

By: _____
Name: _____
Title: Authorized Signing Officer

FORM OF CERTIFICATE TO BE GIVEN BY
PERSON ENTITLED TO RECEIVE BEARER SECURITY
OR TO OBTAIN INTEREST PAYABLE PRIOR
TO THE EXCHANGE DATE

CERTIFICATE

CYBIN INC.
% Notes due

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, United States Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source; or a trust if (A) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (B) it was in existence on August 20, 1996 and has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person ("United States persons(s)"), (ii) are owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States. United States Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise Cybin Inc. or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), and, in addition, if the owner is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)), this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the states and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly in writing on or prior to the date on which you intend to submit your certification relating to the above-captioned Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certificate excepts and does not relate to U.S. \$____ of such interest in the above-captioned Securities in respect of which we are not able to certify and as to which we understand an exchange for an interest in a permanent global security or an exchange for and delivery of definitive Securities (or, if relevant, collection of any interest) cannot be made until we do so certify.

We understand that this certificate may be required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____
[To be dated no earlier than the 15th day prior to
(i) the Exchange Date or (ii) the relevant Interest
Payment Date occurring prior to the Exchange
Date, as applicable]

[Name of Person Making Certification]

By: _____
Name: _____
Title: _____

FORM OF CERTIFICATE TO BE GIVEN BY THE DEPOSITARY
IN CONNECTION WITH THE EXCHANGE OF A PORTION OF A
TEMPORARY GLOBAL SECURITY OR TO OBTAIN INTEREST
PAYABLE PRIOR TO THE EXCHANGE DATE

CERTIFICATE

CYBIN INC.

_____% Notes due _____

This is to certify that based solely on written certifications that we have received in writing or by electronic transmission from each of the persons appearing in our records as persons entitled to a portion of the principal amount set forth below (our "Member Organizations") substantially in the form attached hereto, as of the date hereof, U.S. \$____ principal amount of the above-captioned Securities (i) is owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, United States Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source; or a trust if (A) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (B) it was in existence on August 20, 1996 and has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person ("United States person(s)"), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such financial institution has agreed, on its own behalf or through its agent, that we may advise Cybin Inc. or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)) and, to the further effect, that financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the states and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify that (i) we are not making available herewith for exchange (or, if relevant, collection of any interest) any portion of the temporary global Security representing the above-captioned Securities excepted in the above-referenced certificates of Member Organizations and (ii) as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____
[To be dated as of (i) the Exchange Date or
(ii) the relevant Interest Payment Date occurring
prior to the Exchange Date, as applicable]

[INSERT NAME OF DEPOSITARY]

By: _____
Name: _____
Title: _____