

# Psyence™

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
AS OF MAY 1, 2024**



121 Richmond Street West, Penthouse Suite, 1300  
Toronto, Ontario  
M5H 2K1

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JUNE 7, 2024

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<b>Time and Date:</b> 09:00 a.m. (Eastern Time) on Friday, June 7, 2024
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**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") holding common shares of Psyence Group Inc. (the "**Company**") will be held at the offices of WeirFoulds LLP, located at Suite 4100, 66 Wellington Street West, TD Bank Tower, Toronto, Ontario M5K 1B7 on Friday, June 7, 2024 at 9:00 a.m. (Eastern Time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended March 31, 2023, together with the auditor's reports thereon;
2. to set the number of directors to be elected at the meeting;
3. to elect directors to hold office until their successors are elected or appointed;
4. to appoint MNP LLP, Chartered Professional Accountant, as the Company's auditor, and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to re-approve the Company's Stock Option Plan as more particularly described in the management information circular dated May 1, 2024 (the "**Information Circular**");
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to re-approve the Company's RSU Plan as more particularly described in the Information Circular;
7. to consider and, if deemed advisable, to pass, with or without variation, and subject to regulatory approval, a special resolution granting the board of directors of the Company (the "**Board**") authority to complete a share consolidation, if they deem appropriate (all as more particularly described in the Information Circular), of the Company's common shares (the "**Common Shares**") within the range of one post-consolidation Common Share for

every two (2) to up to twenty (20) pre-consolidation Common Shares of the same class ("**Consolidation Ratio**"), and to effect, at such time as the Board deems appropriate, a share consolidation of all issued and outstanding Common Shares on the basis of such Consolidation Ratio, subject to the Board's authority to decide not to proceed with the Share Consolidation; and

8. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The record date for determining Shareholders entitled to receive this notice of annual general meeting and to vote at the Meeting (or any postponement or adjournment of the Meeting) is the close of business on May 1, 2024.

Particulars of the foregoing matters are set forth in the management information circular of the Company (the "**Circular**") accompanying this notice (the "**Notice of Meeting**"), enclosed form of proxy (the "**Proxy**") and a Financial Statement Request Form. This Notice of Meeting and the accompanying Circular have been sent or been made available to each director of the Company, each shareholder of the Company entitled to notice of the Meeting and the auditors of the Company. The accompanying Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice of Meeting.

This Notice of Meeting is accompanied by the Proxy, the Circular and a Financial Statement Request Form. These materials contain detailed voting instructions and information about the matters to be decided at the Meeting; as a Shareholder, you should read the accompanying materials carefully. If you are a Shareholder and wish to be represented by proxy at the Meeting (or any postponement or adjournment of the Meeting), you should follow the voting instructions provided with your Proxy. To be valid, submitted Proxies must be received on or before 9:00 a.m. (Toronto time) on Wednesday, June 5, 2024, to the Company's transfer agent and registrar, Odyssey Transfer Agent & Trust Company, Attention: Stacey Diocampo, Suite 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8. If you are a registered Shareholder (please see the accompanying Circular for a definition) and wish to vote in person at the Meeting (or any postponement or adjournment of the Meeting), you will be asked to register for the Meeting by identifying yourself at the registration desk at the Meeting.

**DATED** on the 1<sup>st</sup> day of May, 2024.

**By Order of the Board of Directors**

*(signed) "Jody Aufrichtig"*

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Jody Aufrichtig  
Director and Executive Chairman

PSYENCE GROUP INC.

**MANAGEMENT INFORMATION CIRCULAR**

**GENERAL INFORMATION**

**This Management Information Circular is furnished in connection with the solicitation of proxies by the management of PSYENCE GROUP INC. (the "Company") for use at the annual general meeting (the "Meeting") of its shareholders to be held on June 7, 2024 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Management Information Circular, references to "the Company", "Psyence", "we" and "our" refer to Psyence Group Inc. and its subsidiaries and its directors and officers. References to "you" and "your" refer to holders of common shares of the Company (the "**Shareholders**"). "Common Shares" means common shares without par value in the capital of the Company. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. References in this Circular to the Meeting include any postponement(s) or adjournment(s) of the Meeting.

The Company is not relying on the "Notice and Access" delivery procedures outlined in National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

Information provided in this Circular is current as of May 1, 2024 unless otherwise indicated.

The record date for this Meeting is May 1, 2024 (the "**Record Date**"). If you are a Shareholder at the close of business on the Record Date, you are eligible to vote on matters voted on at the Meeting. Under the Company's by-laws, a quorum for the transaction of business at a meeting of shareholders shall be two persons, who are present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.

Other than solicitation of proxies by mail, proxies may also be solicited by telephone or other means by regular employees of the Company. The cost of solicitation will be borne by the Company.

**VOTING**

You may be a registered shareholder or a non-registered shareholder. You are a registered shareholder if your name appears on your share certificate; your name will also be included in the list of registered shareholders maintained by our registrar and transfer agent, Odyssey Transfer Agent & Trust Company ("**Odyssey**").

You are a non-registered shareholder (sometimes called a "**beneficial shareholder**") if your shares are held in the name of an intermediary such as a financial institution, a securities broker, a trustee

or a registered savings plan. Your shares may be held in the name of a depository (such as The Canadian Depository for Securities Limited or "CDS"). Your name will not appear on the list of registered shareholders maintained by Odyssey. Generally, non-registered shares are held electronically and you will not have a physical share certificate.

You will have received a voting instruction form and/or a form of proxy along with this Circular. Your vote is important. You should follow the voting instructions provided carefully as they may differ from the general information below. The Company encourages shareholders to vote their shares prior to the Meeting.

## **Registered Shareholders**

### *Voting in Person at the Meeting*

If you are a registered shareholder, you may vote at the Meeting. You will be required to register for the Meeting by identifying yourself at the registration desk. If you have previously given a proxy, you can revoke it in the manner described under the "Revocation of Proxies".

### *Voting by Proxy at the Meeting*

Registered shareholders who wish to vote by proxy shall do so by completing, signing, and delivering the enclosed form of proxy to Odyssey at Suite 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8, or via the internet at <https://login.odysseytrust.com/pxlogin>. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Circular accompanying this Notice.

**The enclosed form of proxy names directors and/or officers of the Company who are the Company's appointees to act as your proxyholder at the Meeting. You may strike out those names and insert the name of an appointee you choose in the space provided. A proxy appointee does not need to be a Shareholder.** Even if you have given a proxy, you have the right to attend the Meeting or to appoint someone else to attend as your proxy; the proxy submitted earlier can be revoked in the manner described under "Revocation of Proxies".

The appointee(s) named in your completed form of proxy will vote for, vote against or withhold from voting the shares in respect of which they are appointed in accordance with your directions. **In the absence of such direction (if you have left space indicating your voting choice blank), your shares will be voted in favour of the matters identified in the notice of annual meeting.** Your properly executed form of proxy confers discretionary authority upon the appointees to vote with their best judgment with respect to any amendments or variations to matters identified in the notice of annual meeting, and with respect to any ballot that may be called for or other matters that may properly come before the Meeting. At the time of printing of this Circular, we know of no such amendments, variations or other matters to come before the Meeting.

## **Non-Registered Shareholders – Information and Instructions for Voting**

There are two kinds of non-registered shareholders: those who do not object to the Company's knowing who they are (referred to as non-objecting beneficial owners or "**NOBOs**"), and those who object to their names being made known to the Company (referred to as objecting beneficial owners or "**OBOs**"). If you are a non-registered shareholder, whether you are a NOBO or an OBO is determined by your instructions to your intermediary. Your rights are the same whether you are a NOBO or an OBO.

These meeting materials are being sent to both registered and non-registered owners of the securities. If you are a NOBO and the Company (or its agent) has sent the notice of annual meeting, this Circular and the form of proxy or a voting instruction form (collectively, the "**Meeting Materials**") directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (a) delivering these materials to you, and (b) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions delivered to you.

If you are an OBO, the Company does not have any information about you; you will have received the Meeting Materials from an intermediary. The Company will pay the fees and expenses of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with applicable securities regulatory requirements. The intermediaries are required to forward the Meeting Materials to OBOs, unless an OBO has waived the right to receive them. Please follow the specific voting procedures provided by your intermediary.

**Both NOBOs and OBOs have the right to appoint a person or company to represent them at the Meeting who is other than the management appointee(s) whose name appears on the voting instruction form or the form of proxy. If you wish to attend and vote at the Meeting in person (or to appoint another person to attend and vote on your behalf), you may replace the management appointee's name(s) with your own (or with the name of another person who will attend and vote on your behalf). Your appointee does not need to be a Shareholder.** The appointee(s) will vote for, vote against or withhold from voting the shares in respect of which they are appointed in accordance with your directions. **In the absence of such direction (if you have left space indicating your voting choice blank), your shares will be voted in favour of the matters identified in the notice of annual meeting.** The appointee(s) will have discretionary authority to vote with their best judgment with respect to any amendments or variations to matters identified in the notice of annual meeting, and with respect to any ballot that may be called for or other matters that may properly come before the Meeting. At the time of printing of this Circular, the Company knows of no such amendments, variations or other matters to come before the Meeting.

## **REVOCATION OF PROXIES**

You may revoke a proxy given as a result of this solicitation by instrument in writing (which may be another proxy bearing a later date) as long as it is executed by you or your attorney authorized in writing, or where the shareholder is a company, by a duly authorized officer or attorney of the

company, and deposited either at the registered office of the Company at 121 Richmond Street West, Penthouse Suite, 1300 Toronto, Ontario M5H 2K1 at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or with the Chair of the Meeting prior to the time of voting on the day of the Meeting or in any other manner permitted by law.

If you are a non-registered shareholder, please contact your intermediary for instructions about how to revoke your voting instructions.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company's authorized capital includes an unlimited number of common shares (the "**Common Shares**") of which 140,031,222 Common Shares are issued and outstanding, as at May 1, 2024.

The Company's transfer agent will compile a list of all registered shareholders and the number of Common Shares registered in each of their names as at the close of business on the Record Date. Each Common Share held at the Record Date entitles the holder to one vote on any matter to be acted upon at the Meeting. All Shareholders at the Record Date are entitled to attend the Meeting and either vote in person or by proxy as described earlier.

To the knowledge of the directors and executive officers of the Company, as at May 1, 2024, there is no person or company that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the Company that carry more than 10% of the voting rights attached to any class of voting securities of the Company except as otherwise disclosed in this Circular.

### **TRANSFER AGENT AND REGISTRAR**

The Company's registrar and transfer agent is Odyssey Transfer Agent & Trust Company (the "**Transfer Agent**") and is located at Suite 702 – 67 Yonge Street, Toronto, Ontario, M5E 1J8.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, one of the Company's directors, director nominees (as described below), executive officers or any associates or affiliates of these persons has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than election of directors, the appointment of the auditor, and as may be set out herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed May 1, 2024 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares. As at May 1, 2024, there were 140,031,222 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, as at May 1, 2024, there is no person or company that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the Company that carry more than 10% of the voting rights attached to any class of voting securities of the Company, except as otherwise disclosed in this Circular.

## FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended March 31, 2023, the report of the auditor thereon and the related management's discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on July 27, 2023 and will be tabled at the Meeting and will be available at the Meeting.

## COMPENSATION OF EXECUTIVE OFFICERS

The following information is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers ("**Statement**") of Psyence Group Inc. for the financial years ended March 31, 2023, and March 31, 2022. All amounts represented in this form are in Canadian dollars unless stated otherwise.

### Definitions

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;



- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer(s) other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument Form 51-102F6V, *Statement of Executive Compensation – Venture Issuer*, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

### Named Executive Officer and Director Compensation

The following table summarizes the compensation paid to the directors and NEOs of the Company for the financial years ended March 31, 2023 and 2022:

Table of compensation excluding compensation securities							
Name and position	Year Ended Mar 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jody Aufrichtig <sup>(1)</sup> Director and Executive Chairman	2023	150,000	-	-	-	-	150,000
	2022	150,000	-	-	-	-	150,000
Dr. Neil Maresky <sup>(2)</sup> Chief Executive Officer	2023	340,000	-	-	-	-	340,000
	2022	255,000	26,500	-	-	-	281,500
Warwick Corden-Lloyd <sup>(3)</sup> Chief Financial Officer and Company Secretary	2023	150,000	-	-	-	-	150,000
	2022	150,000	-	-	-	-	150,000
Dr. Amza Ali <sup>(4)</sup> Director & Chief Medical Officer	2023	112,500	-	-	-	-	112,500
	2022	150,000	-	-	-	-	150,000
Marvin Singer <sup>(5)</sup> Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Gavin Basserbie <sup>(6)</sup> Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Alan Friedman <sup>(7)</sup> Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-

Notes:

1. Jody Aufrichtig was appointed as Chief Executive Officer and Director of the Company on January 19, 2021. Jody Aufrichtig was appointed Executive Chairman on June 25, 2021 (with effect from July 1, 2021) and resigned as Chief Executive Officer on June 25, 2021 (with effect from July 1, 2021). His compensation earned during years ended March 31, 2023 and 2022 was entirely for his role as CEO and Executive Chairman.
2. Dr. Neil Maresky was appointed as Chief Executive Officer on June 25, 2021 (with effect from July 1, 2021) and resigned from such position effective March 11, 2024. His compensation earned during years ended March 31, 2023 and 2022 was entirely for his role as CEO.
3. Warwick Corden-Lloyd was appointed as Chief Financial Officer and Company Secretary of the Company on January 19, 2021 and resigned from such position effective March 11, 2024. His compensation earned during years ended March 31, 2023 and 2022 was entirely for his role as CFO and Company Secretary.
4. Dr. Amza Ali was appointed as Director of the Company on January 19, 2021 and was appointed as Chief Medical Officer ("CMO") on March 5, 2021. Dr. Amza Ali resigned as a director and CMO on September 1, 2022. His compensation earned during year ended March 31, 2023 was entirely for his role as CMO.
5. Marvin Singer was appointed as Director of the Company on January 19, 2021. Marvin resigned as Director on November 17, 2023.
6. Gavin Bassarabie was appointed as Director of the Company on January 19, 2021. Gavin resigned as Director on November 29, 2022.
7. Alan Friedman was appointed as Director of the Company on March 3, 2021. The compensation disclosed above does not include the total service fee of \$119,120 earned by Bayline Capital Partners Inc (a company related to Alan Friedman) in performing the services of Capital Markets Advisor to the Company for the year ended March 31, 2023 (\$78,000 for year ended March 31, 2022).

Other than as set forth in the foregoing table, the named executive officers and directors have not received, during the most recently completed financial year, compensation pursuant to any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments, any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors, or any arrangement for the compensation of directors for services as consultants or experts.

### **External Management Companies**

Please see section titled "*Employment, Consulting and Management Agreements*".

### **Stock Option Plans and Other Incentive Plans**

#### *Stock Option Plan*

The Company's stock option plan (the "**Stock Option Plan**") was adopted on November 9, 2021 and was confirmed by the shareholders of the Company on December 9, 2021.

The purpose of the Stock Option Plan is to provide the Company with a share-related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long-term goals of the Company, and to enable and encourage such individuals to acquire shares of the Company as long-term investments.

The Stock Option Plan is a "rolling" plan that limits the number of stock options that may be granted pursuant to the plan to a number equal to 10% of the Company's issued and outstanding common shares, calculated at the date of the stock option grant. Share incentives granted under any share incentive plans of the Company will not have a bearing on the number of shares that may be subject to option under the Stock Option Plan.

**Eligible Persons.** Only executives (including directors and officers) employees, and consultants of the Company or its subsidiaries are eligible to receive stock options under the Stock Option Plan.

**Rolling Plan.** The Stock Option Plan is a rolling plan, such that the maximum number of common shares that may be issued pursuant to the Stock Option Plan shall not exceed 10% of the Company's outstanding shares. As of the date hereof, 7,944,079 options (representing 5.67% of the Company's outstanding shares as of the date hereof) remain available for grant and 6,059,043 options are outstanding (representing 4.33% of the Company's outstanding shares as of the date hereof).

**Limitations.** The Stock Option Plan contains the following limitations:

- (a) the maximum number of shares which may be reserved for issuance to any one person under the Stock Option Plan must not exceed five percent (5%) of the issued shares (determined at the date the option was granted) in a twelve (12) month period, unless the Company first obtains any required disinterested shareholder approval of this plan;
- (b) the number of shares granted to any one Consultant (as defined in the Stock Option Plan) under the Stock Option Plan together with all other security based compensation arrangements in a twelve (12) month period must not exceed two percent (2%) of the issued shares of the Company;
- (c) the aggregate number of options granted to an option holder providing services that include investor relations activities under the Stock Option Plan must not exceed two percent (2%) of the issued shares of the Company in any twelve (12) month period, calculated at the date the option was granted; and
- (d) the aggregate number of shares (i) issued to insiders under the Stock Option Plan within a twelve-month period, and (ii) issuable to insiders of the Company at any time under the plan, together with all of the Company's other security based compensation arrangements, shall not exceed ten percent (10%) of the total number of shares then outstanding, unless the Company has first obtained disinterested shareholder approval of the plan, pursuant to applicable law or stock exchange rules (but only if the law or stock exchange rules require such approval).

**Term of the Options.** The expiry date of an option must be no later than the tenth anniversary of the grant date. Any shares subject to an option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Stock Option Plan.

**Exercise Price.** The exercise price at which an option holder may purchase a share upon exercising their option shall be determined by the price determined by the Committee (as defined below) and

shall be set out in the option agreement. The exercise price shall not be less than the price determined in accordance with the Canadian Securities Exchange ("CSE") policies while the Company's shares are listed on the CSE.

**Additional provisions included in the Stock Option Plan are as follows:**

- A provision permitting the personal representative of an option holder who has become disabled to exercise the option on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable expiry date;
- A provision permitting the personal representative of an option holder who ceased to be employed by the Company by reason of a disability and who dies within six months after their termination to exercise the option on or before the date which is the earlier of one year following the death of such option holder and the applicable expiry date;
- A broad ability for the Company to cause stock options to terminate on an accelerated basis without the consent of option holders, in order to facilitate certain transactions that might be beneficial to the Company; and
- An ability to grant stock options to investor relations consultants.

**Black-out Period.** The Stock Option Plan provides that any options expiring during a disclosure "black-out period" will benefit from a 10-day extension beyond the end of the black-out period.

**Transferability.** Options are generally non-assignable and non-transferable.

**Powers of the Board.** The Stock Option Plan permits the Board to appoint a committee (the "Committee") whose purpose is to administer the plan. The Committee (or the Board if no Committee is in place) may also:

- (a) determine all questions arising in connection with the administration, interpretation and application of the plan;
- (b) correct any defect, supply any information or reconcile any inconsistency in the plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the plan;
- (c) prescribe, amend, and rescind rules and regulations relating to the administration of the plan;
- (d) do the following with respect to the granting of options:
  - (i) determine the executives, employees or consultants to whom options shall be granted, based on the eligibility criteria set out in this plan;
  - (ii) determine the terms of the option to be granted to an option holder including, without limitation, the grant date, expiry dates, exercise price and vesting schedule (which need not be identical with the terms of any other option);

- (iii) determine when options shall be granted;
- (iv) determine the number of shares subject to each option; and
- (e) accelerate the vesting schedule of any option previously granted, subject to certain limitations.

The above is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which is attached as Schedule "C" to this Information Circular.

#### *Restricted Share Unit Plan*

The Company's restricted share unit plan was originally adopted on August 13, 2021 and underwent certain amendments on December 9, 2021. The Board subsequently amended the plan on February 16, 2022, with effect from March 1, 2022 (the "**RSU Plan**"). The RSU Plan is designed to provide certain directors, officers, consultants and other key employees (collectively, an "**Eligible Person**") of the Company and its related entities with the opportunity to acquire restricted share units ("**RSUs**") of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Persons. The RSU Plan provides that the aggregate number of shares reserved for issuance pursuant to awards granted, at any time, shall not exceed 7.5% of the issued and outstanding shares in the capital of the Company.

**Eligible Persons.** All employees, officers, directors, management company employees or consultants (as defined in the RSU Plan) of the Company and its related entities are eligible to participate in the RSU Plan (as "**Participants**"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed Committee (as defined in the RSU Plan) can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

**Rolling Plan.** The aggregate number of shares that may be reserved for issuance under the RSU Plan at any time shall not exceed 7.5% of the Company's outstanding shares. As of the date hereof, 8,268,138 RSUs (representing 5.9% of the Company's outstanding shares as of the date hereof) remain available for grant. This 7.5% limit shall not include the number of shares reserved for issuance under any other incentive plans of the Company.

**Vesting.** The Board or the Committee may, in its sole discretion, determine the time during which RSUs shall vest (except that no RSU, or portion thereof, may vest after the expiry date) and whether there shall be any other conditions or performance criteria to vesting. In the absence of any determination by the Board or the Committee to the contrary, RSUs will vest and be payable as to one third (1/3) of the total number of RSUs granted on each of the first, second and third

anniversaries of the date or dates on which an award of RSUs is made to a Participant (computed in each case to the nearest whole RSU), provided that in all cases payment in satisfaction of a RSU shall occur prior to the Outside Payment Date (which, in respect of a RSU, means December 31 of the calendar year in which the expiry date of the RSUs occurs). Notwithstanding the foregoing, the Committee may, in its sole discretion at any time or in the RSU agreement in respect of any RSUs granted, accelerate, or provide for the acceleration of vesting (in whole or in part) of RSUs previously granted. The award value of any RSU shall be determined as of the applicable vesting date.

**Transferability.** RSUs and all other rights, benefits or interests in the plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions of the RSU Plan.

**Limitations.** Unless the Company has first obtained disinterested shareholder approval of the plan, the RSU Plan limits the total number of shares issuable at any time to insiders of the Company, when combined with all other shares issuable to insiders under any security based compensation arrangement, to 10% of the total number of issued and outstanding equity securities of the Company. Unless the Company has first obtained disinterested shareholder approval of the plan, it further limits the total number of shares issuable to insiders during any one year period under the plan, when combined with all other shares issuable to insiders under any security based compensation arrangement, to 10% of the total number of issued and outstanding equity securities of the Company.

No RSU may be issued to anyone engaged to perform investor relations activities for the Company. In no event can the issuance of RSUs, when combined with any grant made pursuant to any other security based compensation arrangement, result in: (i) any one person being granted share-based compensation awards equaling or exceeding 5% of the issued shares, within a 12 month period; and (ii) any one consultant in a 12 month period being granted share-based compensation equaling or exceeding 2% of the issued shares.

**Resignation, Termination, Engagement, Death or Disability.** Upon the voluntary resignation or the termination for cause of a Participant, all of the Participant's RSUs which remain vested, but unexercised or unvested in the Participant's Account shall be forfeited without any entitlement to such Participant.

Generally, if a Participant dies, or their employment or engagement terminates with the Company due to total disability, while employed or retained by the Company, or while an officer or director, the expiry date of any vested or unvested RSUs held by the Participant at the date of death or date of termination due to total disability, which have not yet been subject to an exercise notice and subsequent award payout, shall be amended to the earlier of (i) one (1) year after the date of death or date of termination due to total disability, and (ii) the expiry date of such award, except that in the event the expiration of the award is earlier than one (1) year after the date of death or date of termination due to total disability, the expiry date shall be up to one (1) year after the date of death or date of termination due to total disability as determined by the Board.

**Change of Control.** Subject to any provision to the contrary contained in an RSU agreement or other written agreement (such as an agreement of employment) between the Company and a Participant, if a change of control takes place, all issued and outstanding RSUs shall vest (whether or not then vested) and the vesting date shall be the date which is immediately prior to the time such change of control takes place, or at such earlier time as may be established by the Board or the Committee, in its absolute discretion, prior to the time such change of control takes place.

**Credit For Dividends.** Within ten (10) days following the declaration and payment of dividends on the Shares, the Board may determine to make a cash payment to a Participant in respect of outstanding RSUs credited to the Participant's Account, which shall be calculated in accordance with the RSU Plan.

**Terms of RSUs.** Subject to an earlier expiry date as may be determined by the Board and set out in the RSU agreement, RSUs will expire either at the earlier of December 31<sup>st</sup> of the third calendar year following the year in which the grant date falls for Canadian employee participants or in all other cases, the earlier of the tenth anniversary of the date of the RSU grant.

**Adjustments and Reorganizations.** In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off, or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting shares, the Board, in its sole and absolute discretion, will make, with respect to the number of RSUs outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

The above information is intended to be a brief description of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan, a copy of which is attached as Schedule "D" to this Information Circular.

### Compensation Securities by Directors and NEOs

The compensation securities granted or issued to a director or NEO by the Company or any subsidiary thereof during the financial year ended March 31, 2023, for services provided, or to be provided directly or indirectly, to the Company or any subsidiary thereof is as follows:

Table of compensation securities								
Name and position	Compensation Security	Number of Underlying Securities of unexercised Compensation Securities and percentage of class	Grant Date	Exercise Price (\$)	Number of Compensation Securities exercised	Closing Price of Underlying Security on Date of Grant	Closing Price of Underlying Security at Year end	Expiry Date
Jody Aufrichtig <sup>(1)</sup> Director & Executive Chairman, former CEO	RSU's	370,000 (7%)	Sep 2, 2022	0.00	122,100 <sup>(2)</sup>	0.10	0.13	Dec 31, 2025
	Options	535,000 (14%)	Mar 31, 2023	0.14	-	0.13	0.13	Mar 31, 2028
	RSU's	1,000,000 (18%)	Mar 31, 2023	0.00	-	0.13	0.13	Dec 31, 2026

<b>Dr. Neil Maresky</b> <sup>(2)</sup> Chief Executive Officer and Director	RSU's	370,000 (7%)	Sep 2, 2022	0.00	122,100 <sup>(8)</sup>	0.10	0.13	Dec 31, 2025
	Options	535,000 (14%)	Mar 31, 2023	0.14	-	0.13	0.13	Mar 31, 2028
	RSU's	1,000,000 (18%)	Mar 31, 2023	0.00	-	0.13	0.13	Dec 31, 2026
<b>Warwick Corden-Lloyd</b> <sup>(3)</sup> Chief Financial Officer and Company Secretary	RSU's	200,000 (4%)	Sep 2, 2022	0.00	66,000 <sup>(8)</sup>	0.10	0.13	Dec 31, 2025
	Options	200,000 (5%)	Mar 31, 2023	0.14	-	0.13	0.13	Mar 31, 2028
	RSU's	445,000 (8%)	Mar 31, 2023	0.00	-	0.13	0.13	Dec 31, 2026
<b>Dr. Amza Ali</b> <sup>(4)</sup> Director & Chief Medical Officer	-	-	-	-	-	-	-	-
<b>Marvin Singer</b> <sup>(5)</sup> Director	-	-	-	-	-	-	-	-
<b>Gavin Basserbie</b> <sup>(6)</sup> Director	-	-	-	-	-	-	-	-
<b>Alan Friedman</b> <sup>(7)</sup> Director	RSU's	180,000 (3%)	Sep 2, 2022	0.00	59,400 <sup>(8)</sup>	0.10	0.13	Dec 31, 2025
	Options	150,000 (4%)	Mar 31, 2023	0.14	-	0.13	0.13	Mar 31, 2028
	RSU's	300,000 (6%)	Mar 31, 2023	0.00	-	0.13	0.13	Dec 31, 2026

1. The total amount of compensation securities and underlying securities held was 3,733,078 (1,500,000 options, 1,247,900 RSU's and 985,178 warrants) and 1,746,934 respectively as at March 31, 2023. Vesting conditions of 965,000 options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2023. Vesting conditions of 535,000 options; one half vested on March 31, 2023 and one half vests on September 30, 2023. Vesting conditions of 370,000 RSU's; one third vested on September 2, 2022, one third vested on September 2, 2023 and one third vests on September 2, 2024. Vesting conditions of 1,000,000 RSU's; one third vests on March 31, 2024, one third vests on March 31, 2025 and one third vests on March 31, 2026. Warrants have all vested upon grant date.
2. The total amount of compensation securities and underlying securities held was 4,468,043 (2,335,000 options, 1,895,041 RSU's and 238,002 warrants) and 1,096,423 respectively as at March 31, 2023. Vesting conditions of 1,800,000 options; 17% vested on October 1, 2021, 17% vested on July 1, 2022, 33% vested on July 1, 2023 and 33% vests on July 1, 2024. Vesting conditions of 535,000 options; one half vested on March 31, 2023 and one half vests on September 30, 2023. Vesting conditions of 980,516 RSU's; 17% vested on October 1, 2021, 17% vested on July 1, 2022, 33% vested on July 1, 2023 and 33% vests on July 1, 2024. Vesting conditions of 370,000 RSU's; one third vested on September 2, 2022, one third vested on September 2, 2023 and one third vests on September 2, 2024. Vesting conditions of 1,000,000 RSU's; one third vests on March 31, 2024, one third vests on March 31, 2025 and one third vests on March 31, 2026. Warrants have all vested upon grant date. Effective March 11, 2024 all unvested options and RSUs held by Neil Maresky have lapsed.
3. The total amount of compensation securities and underlying securities held was 1,234,001 (650,000 options, 579,000 RSU's and 5,001 warrants) and 309,322 respectively as at March 31, 2023. Vesting conditions of 450,000 options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2023. Vesting conditions of 200,000 options; one half vested on March 31, 2023 and one half vests on September 30, 2023. Vesting conditions of 200,000 RSU's; one third vested on September 2, 2022, one third vested on September 2, 2023 and one third vests on September 2, 2024. Vesting conditions of 445,000 RSU's; one third vests on March 31, 2024, one third vests on March 31, 2025 and one third vests on March 31, 2026. Warrants have all vested upon grant date.
4. The total amount of compensation securities and underlying securities held was 358,906 warrants and 2,487,283 respectively as at March 31, 2023. Warrants have all vested upon grant date.
5. The total amount of compensation securities and underlying securities held was 506,499 (400,000 options and 106,499 warrants) and 212,998 respectively as at March 31, 2023. Vesting conditions of 400,000 options; one third vested on January 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2022. Warrants have all vested upon grant date.



6. The total amount of compensation securities and underlying securities held was nil and 2,978,039 respectively as at March 31, 2023. Vesting conditions of options; one third vested on January 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2022.
7. The total amount of compensation securities and underlying securities held was 762,298 (341,698 options and 420,600 RSU's) and 2,601,460 respectively as at March 31, 2023. Vesting conditions of 191,698 options; one third vested on July 27, 2021, one third vested on January 27, 2022 and one third vested on July 27, 2023. Vesting conditions of 150,000 options; one half vested on March 31, 2023 and one half vests on September 30, 2023. Vesting conditions of 180,000 RSU's; one third vested on September 2, 2022, one third vested on September 2, 2023 and one third vests on September 2, 2024. Vesting conditions of 300,000 RSU's; one third vests on March 31, 2024, one third vests on March 31, 2025 and one third vests on March 31, 2026.
8. Please see "Exercise of Compensation Securities by Directors and NEOs" for additional details.

### Exercise of Compensation Securities by Directors and NEOs

The stock options or other compensation securities exercised by directors and NEOs of the Company or any subsidiary thereof in the year ended March 31, 2023.

Table of exercise of compensation securities by directors and NEO's							
Name and position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise price per security (\$)	Date of exercise	Closing Price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Jody Aufrichtig</b> <sup>(1)</sup> Director & Executive Chairman, former CEO	RSU's	122,100	0.00	Dec 14, 2022	0.115	0.115	14,042
<b>Dr. Neil Maresky</b> <sup>(2)</sup> Chief Executive Officer and Director	RSU's	455,475	0.00	Jan 16, 2023	0.14	0.14	17,094
<b>Warwick Corden-Lloyd</b> <sup>(3)</sup> Chief Financial Officer and Company Secretary	RSU's	66,000	0.00	Dec 14, 2022	0.115	0.115	7,590
<b>Dr. Amza Ali</b> <sup>(4)</sup> Director & Chief Medical Officer	-	-	-	-	-	-	-
<b>Marvin Singer</b> <sup>(5)</sup> Director	-	-	-	-	-	-	-
<b>Gavin Bassarabie</b> <sup>(6)</sup> Director	-	-	-	-	-	-	-
<b>Alan Friedman</b> <sup>(7)</sup> Director	RSU's	59,400	0.00	Dec 14, 2022	0.115	0.115	6,831

## **Employment, Consulting and Management Agreements**

During the year ended **March 31, 2023**, the Company had the following Employment, Consulting and Management Agreements in place:

### *Jody Aufrichtig*

Psyence Biomed Corp., previously known as MindHealth Biomed Corp, a wholly-owned subsidiary of the Company ("**PBC**"), and Jody Aufrichtig entered into a consulting agreement dated January 1, 2021 ("**First CEO Agreement**"), pursuant to which he performed the services of Chief Executive Officer of the Company in consideration for a base fee of \$12,500 per month (\$150,000 per annum); rendering a significant number of hours a day or days a week to such services. This First CEO Agreement has been assigned to an entity affiliated to Mr Aufrichtig, with Mr Aufrichtig acting as the principal under the agreement.

Either of Mr Aufrichtig or the Company may terminate this First CEO Agreement at any time upon no less than sixty (60) days' written notice to the other party, save that the Company may terminate this First CEO Agreement at any time without prior notice, for cause, provided that if the act, omission, event or breach giving rise to the cause is capable of being remedied, Mr Aufrichtig shall be entitled to remedy same within 10 (ten) business days of written notice requiring such remediation.

The Company may terminate the First CEO Agreement without cause or Mr Aufrichtig may terminate the First CEO Agreement for good reason (as defined in the First CEO Agreement) at any time, in which case the Company shall pay Mr Aufrichtig an amount equal to one month's base fee for every completed month worked, up to a maximum of 12 months ("**Termination Pay**"). If notice of such termination is served within 12 months of effective date of the agreement (i.e. January 1, 2021), 50% of the stock options granted to Mr Aufrichtig (whether vested or not) to Mr Aufrichtig shall immediately vest. If notice of termination is served on or after 12 months of the effective date of the agreement, 100% of the stock options granted (whether vested or not) to Mr Aufrichtig shall immediately vest. In the event of termination by the Company for any reason whatsoever (other than for cause) or by Mr Aufrichtig for any reason whatsoever within sixty (60) days of a change of control event (as defined in the First CEO Agreement), the Company shall pay Mr Aufrichtig Termination Pay and 100% of his stock options granted (whether vested or not) shall immediately vest. The Company may terminate the First CEO Agreement for cause or Mr Aufrichtig may terminate the First CEO Agreement for convenience, in which case Mr Aufrichtig shall not be entitled to Termination Pay (or any other severance payment) and all unvested stock options granted to him shall be forfeited.

On July 1, 2021 Mr Aufrichtig stepped down as Chief Executive Officer of the Company to take up the role of Executive Chairman of the Board of Directors. Effective February 1, 2024, Mr Aufrichtig's compensation for his performance of his duties as Executive Chairman and member of the Board of Directors was reduced to zero. Other than an amendment to Mr Aufrichtig's title, scope of service and compensation, the terms of the First CEO Agreement remain unchanged.

*Warwick Corden-Lloyd*

The Company (via its wholly-owned subsidiary PBC) and Warwick Corden-Lloyd entered into a consulting agreement dated February 1, 2021 ("**First CFO Agreement**"), pursuant to which he performed the services of Chief Financial Officer and Company Secretary to the Company in consideration for a base fee of \$12,500 per month (\$150,000 per annum). The First CFO Agreement has been assigned to an entity controlled by Mr Corden-Lloyd.

The termination provisions, severance payments and entitlements and accelerated stock option vesting terms contained within the First CFO Agreement are identical to those contained within the First CEO Agreement as set out in more detail above (*mutatis mutandis*).

Effective March 11, 2024 Mr Warwick Corden-Lloyd has resigned as CFO of the Company, and has been replaced by Mrs Adri Botha as Interim CFO. The terms of Mrs Botha's CFO agreement (the "**Second CFO Agreement**") is set out below. Mr Warwick Corden-Lloyd joined the board of directors of the Company effective March 20, 2024.

*Bayline Capital Partners Inc*

PBC and Bayline Capital Partners Inc (a party related to Alan Friedman, acting as principal) entered into a consulting agreement dated January 1, 2021 ("**CMA Agreement**"), pursuant to which it performed the services of Capital Markets Advisor to the Company in consideration for a base fee of \$5,000 per month for the months of January 2021 and February 2021 and \$6,500 per month thereafter.

The termination provisions, severance payments and entitlements and accelerated stock option vesting terms contained within the CMA Agreement are identical to those contained within the First CEO Agreement as set out in more detail above (*mutatis mutandis*).

*Dr Neil Maresky*

PBC and Dr Neil Maresky entered into an employment agreement dated July 1, 2021 ("**Second CEO Agreement**"), pursuant to which he performed the services of Chief Executive Officer of the Company in consideration for a base fee of \$28,333 per month (\$340,000 per annum). Dr Maresky's compensation package included share-based incentives.

Either Dr Maresky or PBC may terminate this Second CEO Agreement at any time upon no less than sixty (60) days' written notice to the other party.

PBC may terminate the Second CEO Agreement without cause or Dr Maresky may terminate the Second CEO Agreement for good reason (as defined in the Second CEO Agreement) at any time, in which case PBC shall (subject to and inclusive of the minimum requirements of the *Ontario Employment Standards Act, 2000* ("**ESA**")) pay Dr Maresky the following severance:

- (a) if termination occurs prior to the first anniversary of employment, one (1) week of notice, pay in lieu of notice or a combination thereof (with pay in lieu based on base fee) for every completed month worked;

- (b) if termination occurs after the first anniversary of employment but prior to the second anniversary of employment, notice, pay in lieu of notice or a combination thereof (with pay in lieu based on the base fee) equal to twelve (12) weeks plus two (2) additional weeks for each completed month of employment after the first anniversary of employment but prior to the second anniversary of employment, capped at a maximum of twenty-four (24) weeks; or
- (c) if termination occurs after the second anniversary of employment, an immediate lump sum payment of twenty-four (24) months of the base fee. In addition, the Employee shall be entitled to a prorated payment on account of the employee's annual non-discretionary performance-based bonus for all active service rendered up to the date of termination (calculated at target).

In the event that PBC terminates the Second CEO Agreement without cause or Dr Maresky terminates the Second CEO Agreement for good reason (as defined in the Second CEO Agreement) after the Company has secured a successful capital raise of not less than \$6 million, Dr Maresky's severance terms will be more favourable than set out above.

Should PBC terminate the Second CEO Agreement for cause, Dr Maresky will shall not be entitled to any pay in lieu of notice or any other payments except as required to comply with the minimum requirements of the ESA in respect of the termination of employment.

Effective March 11, 2024 Dr Maresky resigned as CEO of the Company. Notwithstanding the provisions of the Second CEO Agreement, as at the termination date no further payments in cash or consideration of any kind for the services rendered were owing by the Company, and all unvested options and RSUs held by Dr Maresky lapsed upon the termination date.

#### *Christopher Bull*

The Company (via its wholly-owned subsidiary PBC) and Christopher Bull (via an entity controlled by Mr Bull) entered into a consulting agreement dated December 1, 2022 ("**Strat Agreement**"), pursuant to which he performs the services of a strategic advisor with respect to intellectual property in consideration for a base fee of GBP12,500 per month (GBP150,000 per annum).

Either of Mr Bull or the Company may terminate this Strat Agreement at any time upon no less than four weeks' written notice to the other party, save that the Company may terminate this Strat Agreement at any time without prior notice, for cause.

Effective March 20, 2024 Mr Bull has resigned from his position as strategic advisor and director of the Company. Notwithstanding the provisions of the Strat Agreement, as at the termination date no further payments in cash or consideration of any kind for the services rendered were owing by the Company, and all options and RSUs (vested or unvested) held by Mr Bull lapsed upon the termination date.

*Adri Botha*

The Company and Mrs Botha entered into a consulting agreement dated March 11, 2024 ("**Second CFO Agreement**"), pursuant to which she performs the services of interim CFO of the Company in consideration for a base fee of \$755 per month (\$9,060 per annum).

Either of Mrs Botha or the Company may terminate this Second CFO Agreement at any time upon no less than four weeks' written notice to the other party, save that the Company may terminate this Second CFO Agreement at any time without prior notice, for cause.

**Oversight and Description of Director and Named Executive Officer Compensation**

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long-term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive awards; and (iii) incentive securities-based awards. The directors are of the view that all elements of the total program should be considered, rather than any single element.

The Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options and restricted share units, to be granted to the CEO, or such person acting in capacity of CEO of the Company, the directors and management, and for reviewing the recommendations with respect to compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position.

The Board of Directors tasks the Compensation Committee (as hereinafter defined) to periodically review the compensation paid to directors, officers, and management based on such factors as: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) to provide recommendations with respect to compensation matters to the Board of Directors.

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides its executives may include a parking allowance or a fee for each board or committee meeting attended, or to assist with their out-of-pocket costs, and such benefits and perquisites as set out, respectively, in the "Table of compensation excluding compensation securities" above.

**Pension disclosure**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Number of securities to be issued upon exercise of outstanding option, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
<i>Equity compensation plans approved by security holders</i>	14,763,514	\$0.07	9,580,075
<i>Equity compensation plans not approved by security holders</i>	-	N/A	-

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Management Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### The Audit Committee's Charter

The Audit Committee has a charter (the "**Audit Committee Charter**"), which sets out its mandate and responsibilities. A copy of the Audit Committee Charter is attached as Schedule "A" to this Management Information Circular.

### Composition of the Audit Committee

The current members of the Audit Committee of the Company are Jody Aufrichtig, Alan Friedman, and Warwick Corden-Lloyd. All members are "financially literate" as such terms are defined in NI 52-110.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. As the Company is a venture issuer, the Company is exempt from the Audit Committee composition requirements in NI 52-110 which require all Audit Committee members to be independent. NI 52-110 requires that the majority of members of the Audit Committee of a venture issuer not be executive officers, employees or control persons of the Company. Jody Aufrichtig, Executive Chairman, is considered an executive officer of the Company. Alan Friedman and Warwick Corden-Lloyd are not executive officers, employees or control persons of the Company.

The members of the Audit Committee are elected by the Board at its first meeting following the annual shareholder's meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

## Relevant Education and Experience

Jody Aufrichtig, Alan Friedman, and Warwick Corden-Lloyd have many years of practical financial and business experience, and have the ability to read and understand 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 by the Company's financial statements and are therefore considered "financially literate".

## Audit Committee Oversight

At no time since the Company's last financial year end was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

## Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by the Company's external auditors to ensure auditor independence. The fees billed by the Company's external auditors in each of the last two financial years for audit and non-audit related services provided to the Company or its subsidiaries (if any) are as follows:

Financial Year Ended March 31	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2023	252,935	-	-	-
2022	112,132	-	-	-

### Notes:

1. "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

2. "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
4. "All Other Fees" include all other non-audit services.

## **Exemption**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI – 52-110, which exempts it from the requirements of Part 3 (Composition of Audit Committees) and Part 5 (Reporting Obligations) of NI 52-110.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making. The Company has adopted corporate governance policies and guidelines (the "**Guidelines**") governing key matters and has accordingly enacted: (1) internal guidelines to control transactions involving its securities by all Company directors, officers and insiders (among others) to ensure that such parties are aware of and comply with their legal obligations with respect to "insider trading" and "tipping" and (2) timely disclosure and confidentiality guidelines to ensure the timely and accurate disclosure of material information relating to the Company and/or its material subsidiaries in accordance with applicable securities laws and stock exchange rules, to prevent the improper use or disclosure of material information or confidential information about the Company and to promote an understanding of and compliance with legal requirements and stock exchange rules. The Board shall: (1) review the Guidelines on an annual basis; and, at a more appropriate time in the future, (2) implement additional corporate governance policies and guidelines (3) implement measures and processes to review critically each director's continuation on the Board every year considering, among other things, a director's service on other boards and the time involved in such other service; and (4) establish a process for the evaluation of the performance of the Board and each of its committees.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.



The directors of the Company exercise their business judgment to act in a manner they reasonably believe to be in the best interests of the Company and its Shareholders. Directors must be willing to devote sufficient time and effort to learn the business of the Company, and must ensure that other commitments do not materially interfere with service as a director. In discharging their obligations, directors are entitled to rely on management and the advice of the Company's outside advisors and auditors, but must at all times have a reasonable basis for such reliance. Directors are expected to spend the time needed to properly discharge their responsibilities.

The independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

Currently, the independent member of the Board is Alan Friedman. Jody Aufrechtig and Warwick Corden-Lloyd are not independent by virtue of their being executives of the Company, Mr Aufrechtig being the current Executive Chairman, and Mr Corden-Lloyd having been an executive officer of the Company within the last three (3) years.

### **Directorships**

The directors of the Company that are currently serving on boards of the following other reporting companies (or equivalent) is as set out below:

<b>Director</b>	<b>Other Reporting Issuer(s)</b>	<b>Exchange</b>
Jody Aufrechtig	Psyence Biomedical Ltd	NASDAQ
Alan Friedman	Osino Resources Corp. Eco (Atlantic) Oil & Gas Ltd. AIM5 Ventures Inc. AIM6 Ventures Inc.	TSX-V TSX-V TSX-V TSX-V
Warwick Corden-Lloyd	None	N/A

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by applicable governing corporate legislation and the common law, as well as the restrictions placed

by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Compensation Committee**

As of the date of this Circular, the Company has a compensation committee ("**Compensation Committee**") comprised of the following members: Jody Aufrichtig, Warwick Corden-Lloyd and Alan Friedman. Alan Friedman is independent. Jody Aufrichtig is not considered independent due to being an individual who performs functions for a corporation similar to those normally performed by an individual occupying an office of an executive. Warwick Coden-Lloyd is not considered independent due to being the Chief Financial Officer of the Company within the last three (3) years. The Compensation Committee charter setting out the duties and responsibilities of the members of the committee was adopted on May 12, 2022. A copy of the Compensation Committee charter is attached as Schedule "B" to this Management Information Circular.

To determine compensation payable, the Compensation Committee considers the compensation paid for directors and CEOs of companies of similar size and stage of development in similar industries and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting or adjusting the compensation, the Compensation Committee reviews the performance of the CEO and other officers in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

As at the date of this Circular, no directors are entitled to any fees for their services as directors. Directors are compensated for their services in the form of equity incentives only.

### **Nomination of Directors**

The directors will be elected each year by the shareholders at the annual meeting of shareholders. The Board proposes a slate of nominees to the shareholders for election to the Board at such meeting. Between annual meetings of shareholders, the Board may fill casual vacancies on the Board and, subject to the Company's by-laws, increase the size of the Board and elect directors to fill the resulting vacancies until the next annual meeting of shareholders.

Each director should possess the following minimum qualifications: (a) the highest personal and professional ethics, integrity and values; (b) commitment to representing the long-term interests of the shareholders; (c) relevant business or professional experience; and (d) sufficient time to effectively fulfill duties as a Board member. Non-management directors will endeavour to recommend qualified individuals to the Board who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company.

### **Other Board Committees**

The Company does not have any standing committees other than the Audit Committee and the Compensation Committee. For details on the Audit Committee and Compensation Committee,

please refer to the "*Audit Committee and Relationship with Auditor*" and "*Compensation Committee*" sections.

### **Assessments**

The Board regularly monitors the adequacy and effectiveness of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit and Compensation Committees.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director or executive officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any such director, executive officer or proposed nominee, at any time during the most recently completed financial year or as at May 1, 2024, has been indebted to the Company or any of its subsidiaries or had indebtedness to another entity that is, or has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

Please see section under "*Compensation of Executive Officers – Employment, Consulting and Management Agreements*".

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Election of Directors**

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**"), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The Company's articles provide that the Board may consist of a minimum of three and a maximum of ten directors. The Board is currently comprised of three directors. After a review of the size and composition of the Board for the year-ended March 31, 2023, the Board determined that the size of the Board should be maintained at three (3) members to facilitate its effective functioning with respect to technical, financial and corporate governance expertise. The Board has determined to nominate each of the three (3) persons listed below for election as a director of the Company at the Meeting and has fixed the size of the Board at three (3).

The Shareholders are entitled to elect the directors. The individuals named below have been nominated for election as directors of the Company and have consented to such nomination.

***Management recommends the approval of each of the nominees listed below for election as a director of Psyence Group Inc. for the ensuing year. Unless authority to vote on the election of***

**directors is withheld and in the absence of contrary instructions, it is the intention of management proxyholders to vote proxies, in the accompanying form, FOR the election of the named nominees below as directors of the Company.**

The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company, and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 1, 2024.

Name, Province, Country of Residence & Position(s)	Principal Occupation Business or Employment for Last Five Years <sup>(1)</sup>	Date Elected or Appointed as Director	Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Jody Aufrichtig<sup>(2)</sup></b> Cape Town, South Africa	See "Director Biographies" below.	January 19, 2021	1,746,934 common shares Nil warrants 1,500,000 options 1,125,800 Restricted Share Units
<b>Alan Friedman<sup>(2)</sup></b> Ontario, Canada	See "Director Biographies" below.	March 3, 2021	2,601,460 common shares Nil warrants 341,698 options 361,200 Restricted Share Units
<b>Warwick Corden-Lloyd<sup>(2)</sup></b> Cape Town, South Africa	See "Director Biographies" below.	March 31, 2024	375,322 common shares 5,001 warrants 650,000 options 513,000 Restricted Share Units

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees and from insider reports available at [www.sedi.ca](http://www.sedi.ca). Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Member of Audit Committee and member of the Compensation Committee.

*Director Biographies*

**Jody Aufrichtig** – Jody Aufrichtig is a chartered accountant and experienced entrepreneur with extensive experience in emerging markets. Mr. Aufrichtig is the founder of MindHealth Biomed Corp and a multiple award-winning business builder who has created substantial shareholder value in cannabis, commercial and residential property, private equity, tourism, leisure and other industries. Prior to founding MindHealth Biomed Corp, he was the Managing Director of Canopy Growth Africa (a wholly owned subsidiary of Canopy Growth Corporation (NYSE: CGC / TSX: WEED)) from May 2018 until he led a management buyout of the African operations in April 2020. Mr. Aufrichtig founded Daddy Cann Lesotho (Pty) Limited in July 2017 and was granted a license by the Ministry of Health (Lesotho) to cultivate, manufacture, supply, hold, import, export and transport cannabis. Daddy Cann Lesotho (Pty) Limited was subsequently acquired by Canopy Growth Corporation in May 2018. Mr. Aufrichtig co-founded Indigo Properties in 2000 and the business is focussed on commercial and residential property, tourism and leisure. Mr Aufrichtig

currently holds the position of Executive Chairman of the Board of PBM. Mr. Aufrichtig holds a Bachelor of Accounting and a Bachelor of Accounting Honours from the University of Cape Town, South Africa and is registered with the South African Institute of Chartered Accountants.

***Alan Friedman*** – Alan Friedman is principal of Bayline Capital Partners, Psyence's capital market advisor who has recently led the Corporation through a successful listing onto the CSE. He has been associated with the North American public markets for more than two decades and has a depth of experience in representing, advising and assisting Canadian and global companies in acquiring assets, accessing capital, advising on mergers and acquisitions and navigating going public processes onto Canadian, US and UK stock exchanges with accompanying equity capital raisings. During his Bay Street career, he has been involved with or facilitated financings in excess of hundreds of millions of dollars, creating billions of dollars in shareholder value. Alan Friedman is currently the chairman and a director of Osino Resources Corp.

***Warwick Corden-Lloyd*** - Warwick Corden-Lloyd is a Chartered Accountant and Certified Project Manager with over 17 years of work experience in the United Kingdom, the USA, and South Africa. Mr Corden-Lloyd brings a wide scope of experience ranging from advising the boards of publicly traded companies to strategy design for start-ups. Mr Corden-Lloyd served as VP Operations and Finance for Canopy Growth Africa (a wholly owned subsidiary of Canopy Growth Corporation (NYSE: CGC / TSX: WEED) and prior to that was the Head of Financial Accounting for Capitec Bank. He currently holds the position of Chief Financial Officer of PBM. He is also a CA charter holder from The South African Institute of Chartered Accountants and a member of The Institute of Chartered Accountants in England and Wales.

#### *Cease Trade Orders & Bankruptcies*

Within the last 10 years before the date of this Circular, other than as set out below, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Circular is prepared) or acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or

compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

- (d) 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### *Personal Bankruptcies*

To the best of the Company's knowledge, no proposed director of the Company has, within ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### *Securities Related Penalties and Sanctions*

To the best of the Company's knowledge, no proposed director has been subject to, or entered into a settlement agreement resulting from:

- (a) a court order relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other 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.

#### **Appointment of Auditor**

At the Meeting, MNP LLP, Chartered Professional Accountant, located at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4 will be recommended by management and the board of directors for appointment as auditor of the Company at a remuneration to be fixed by the directors. On March 15, 2021, MNP LLP, Chartered Professional Accountants was appointed as the Company's auditor.

The Company's management recommends that the Shareholders vote in favour of the appointment of MNP LLP, Chartered Professional Accountants as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor.

**Unless otherwise directed, the management proxyholders intend to vote FOR the appointment of MNP LLP, Chartered Professional Accountants, to act as the Company's auditor until the Company changes its auditor or until the close of its next annual general**

**meeting and authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

### **Re-approval of the Stock Option Plan**

The Company currently has an "rolling" 10% stock option plan referred to as the Stock Option Plan, which was approved by shareholders at the annual general meeting of shareholders held on December 9, 2021. Pursuant to requirements of the CSE, the Company's stock option plan must be presented to the shareholders of the Company for renewal and for ratification of the unallocated entitlements every (3) years, failing which no further entitlements may be awarded under the stock option plan. Accordingly, at the Meeting shareholders will be asked to consider, and if thought advisable, pass an ordinary resolution (the "**Stock Option Plan Resolution**"), to: (i) approve the Stock Option Plan; and (ii) approve the unallocated entitlements available thereunder for the ensuing three (3) years. A summary of the Stock Option Plan is provided in this Information Circular under the heading "*Stock Option Plans and Other Incentive Plans – Stock Option Plan*". The full text of the Stock Option Plan is attached as Schedule "C" to this Information Circular.

The Board has concluded that the Stock Option Plan is in the best interest of the shareholders of the Company. At the Meeting, shareholders entitled to vote on the matter will be asked to consider, and if thought advisable, to pass by ordinary resolution as set out below, to approve the Stock Option Plan Resolution. To be effective, the Stock Option Plan Resolution must receive the affirmative vote of a majority of the votes cast by disinterested shareholders at the Meeting. Disinterested shareholder approval requires obtaining approval from the majority of votes other than votes attaching to common shares beneficially owned by directors and officers of the Company or their associates. The directors and officers of the Company are Jody Aufrichtig, Alan Friedman, Warwick Corden-Lloyd and Adri Botha. To the best of the Company's knowledge, as of the date hereof, such persons and their associates own 22,898,611 common shares representing approximately 16% of the issued and outstanding common shares.

The complete text of the Stock Option Plan Resolution, which management intends to place before the Meeting for approval, confirmation, and adoption, with or without variation, is as follows:

"BE IT RESOLVED THAT:

1. the Stock Option Plan of Psyence Group Inc. as disclosed in the management information circular dated May 1, 2024 be and is hereby approved;
2. all unallocated options under the Stock Option Plan be and are hereby approved;
3. Psyence Group Inc. has the ability to continue granting options under the Stock Option Plan until June 6, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any director or officer of the Psyence Group Inc. be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in

their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution."

**Management recommends that shareholders vote in favour of the Stock Option Plan Resolution. In the absence of contrary instructions, management proxyholders intend to vote FOR the Stock Option Plan Resolution.**

### **Re-approval of the RSU Plan**

The Company's RSU Plan was approved by shareholders at the annual general meeting of shareholders held on December 9, 2021. Pursuant to requirements of the CSE, the Company's RSU Plan must be presented to the shareholders of the Company for renewal and for ratification of the unallocated entitlements every (3) years, failing which no further entitlements may be awarded under the RSU Plan. Accordingly, at the Meeting shareholders will be asked to consider, and if thought advisable, pass an ordinary resolution (the "**RSU Plan Resolution**"), to: (i) approve the RSU Plan; and (ii) approve the unallocated entitlements available thereunder for the ensuing three (3) years. A summary of the RSU Plan is provided in this Information under the heading "Stock Option Plans and Other Incentive Plans – Restricted Share Unit Plan". The full text of the Restricted Share Unit Plan is attached as Schedule "D" to this Information Circular.

The Board has concluded that the RSU Plan is in the best interest of the shareholders of the Company. At the Meeting, shareholders entitled to vote on the matter will be asked to consider, and if thought advisable, to pass by ordinary resolution as set out below, to approve the RSU Plan Resolution. To be effective, the RSU Plan Resolution must receive the affirmative vote of a majority of the votes cast by disinterested shareholders at the Meeting. Disinterested shareholder approval requires obtaining approval from the majority of votes other than votes attaching to common shares beneficially owned by directors and officers of the Company or their associates. See "*Re-approval of the Stock Option Plan*" above for details on common shares beneficially owned by directors and officers or the Company.

The complete text of the RSU Plan Resolution, which management intends to place before the Meeting for approval, confirmation, and adoption, with or without variation, is as follows:

"BE IT RESOLVED THAT:

1. the RSU Plan of Psyence Group Inc. as disclosed in the management information circular dated May 1, 2024 be and is hereby approved;
2. all unallocated RSUs under the RSU Plan be and are hereby approved;
3. Psyence Group Inc. has the ability to continue granting RSUs under the RSU Plan until June 6, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
4. any director or officer of the Psyence Group Inc. be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in



their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution."

**Management recommends that shareholders vote in favour of the RSU Plan Resolution. In the absence of contrary instructions, the management proxyholders intend to vote FOR the RSU Plan Resolution.**

### **Approval of Share Consolidation**

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, pass a special resolution (the "**Share Consolidation Special Resolution**") to authorize the Board to effect, in its discretion and if they deem it appropriate, a share consolidation of the outstanding Common Shares (the "**Share Consolidation**"), at a consolidation ratio within the range of two (2) and up to twenty (20) Common Shares being consolidated into one (1) Common Share (the "**Consolidation Ratio**"), such Share Consolidation, if passed by the Shareholders, will be effected by amending the Company's articles after obtaining Board and regulatory approval. The Company believes that the availability of a range of Share Consolidation ratios up to 10:1 will provide it with the flexibility to implement the Share Consolidation in a manner designed to maximize the anticipated benefits for the Company and its shareholders. In determining which precise Share Consolidation ratio to implement, if any, following the receipt of shareholder approval, the Board may consider, among other things, factors such as:

- the historical trading prices and trading volume of the Common Shares;
- the then prevailing trading price and trading volume of the Common Shares and the anticipated impact of the Share Consolidation on the trading market(s) for the Common Shares;
- the outlook for the trading price of the Common Shares;
- threshold prices of brokerage houses or institutional investors that could impact their ability to invest or recommend investments in the Common Shares;
- the greatest overall reduction in the Company's administrative costs; and
- prevailing general market and economic conditions.

At the close of business on May 1, 2024, the closing price of the Common Shares on the CSE was C\$0.02. There were 140,031,222 issued and outstanding Common Shares on such date. Based on the number of Common Shares currently issued and outstanding, immediately following the completion of the Share Consolidation, for illustrative purposes only, assuming a Share Consolidation ratio of 10:1, there would be approximately 14,003,122 Common Shares issued and outstanding. The Company does not expect the Share Consolidation itself to have any economic effect on shareholders or other securityholders.

### *Reasons for the Share Consolidation*

The Board believes that the Share Consolidation could heighten the interest of the financial community in the Company and potentially broaden the pool of investors that may consider investing or be able to invest in the Company by increasing the trading price of the Common Shares and decreasing the number of outstanding Common Shares. It could also help to attract institutional investors who have internal policies that either prohibit them from investing in public companies whose share price is below a certain minimum price or tend to discourage individual brokers from recommending such stock to their customers.

### *Risks Associated with the Share Consolidation*

Reducing the number of issued and outstanding Common Shares through the Share Consolidation is intended to increase the per share market price of the Common Shares; however, the market price of the Common Shares will also be based on other factors, which are unrelated to the number of shares outstanding. As a result, there can be no assurance that the market price of the Common Shares will in fact increase following the Share Consolidation or will not decrease in the future. In addition, in the future, the market price of the Common Shares following the Share Consolidation may not exceed or remain higher than the market price prior to the Share Consolidation and thus the total market capitalization of the Common Shares after the Share Consolidation may be lower than the total market capitalization before the Share Consolidation.

While the Company believes that a higher share price could help to attract institutional investors who have internal policies that either prohibit them from purchasing stock below a certain minimum price or tend to discourage individual brokers from recommending such stock to their customers, the Share Consolidation may not result in a share price that will attract institutional investors or that satisfy the investing guidelines of institutional investors.

If the Share Consolidation is affected and the market price of the Common Shares declines, the percentage decline as an absolute number and as a percentage of the Company's overall market capitalization may be greater than would occur in the absence of the Share Consolidation. In many cases, both the total market capitalization of a company and the market price of such company's common shares following a share consolidation are lower than they were before the share consolidation. Furthermore, the reduced number of Common Shares that would be outstanding after the Share Consolidation could adversely affect the liquidity of the Common Shares. The Share Consolidation will, in all likelihood, also result in some shareholders owning "odd lots" of fewer than 100 Common Shares on a post-consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in "round lots" of even multiples of 100 Common Shares.

### *Effecting the Share Consolidation*

Once the Company determines the consolidation ratio and that it is in the best interests of the Company to proceed with the Share Consolidation, it will amend its articles in accordance with the OBCA, upon which time the Share Consolidation will become effective. Concurrently, a new

CUSIP number will be assigned to the Common Shares and letters of transmittal will be distributed to Registered Shareholders in order to issue replacement share certificates or, alternatively, receive a Direct Registration System ("**DRS**"), representing post-consolidation Common Shares. Registered Shareholders will complete the letter of transmittal and return it along with the old share certificate to the Transfer Agent. The Transfer Agent will then issue the new share certificates to all Registered Shareholders who have validly submitted letters of transmittal. The DRS is an electronic registration system which allows Shareholders to hold Common Shares in their name in book-based form, as evidenced by a DRS Statement, rather than a physical share certificate. Non-registered Shareholders who hold their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that the Company may put in place for the registered Shareholders. If you are a non-registered Shareholder and hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

Until surrendered, each share certificate representing old pre-consolidation Common Shares will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation. Until registered Shareholders have returned their properly completed and duly executed letter of transmittal and surrendered their old share certificate(s) for exchange, registered Shareholders will not be entitled to receive any distributions, if any, that may be declared and payable to holders of record following the Share Consolidation. Any registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Company and Odyssey, the transfer agent, customarily apply in connection with lost, stolen or destroyed certificates. The method chosen for delivery of share certificates and letters of transmittal to the transfer agent is the responsibility of the registered Shareholder and neither the transfer agent nor the Company will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent.

**Shareholders should not destroy any certificate(s) representing their Common Shares and should not submit any share certificate(s) until requested to do so.**

Although approval for the Share Consolidation is being sought at the Meeting, the Share Consolidation, if approved by the Shareholders, will not become effective until the Board determines the precise Consolidation Ratio and the effective date of the Share Consolidation, and passes a resolution approving the Share Consolidation on that basis.

To be effective, the OBCA requires that the Consolidation Resolution be approved by a special resolution of the Shareholders, being a majority of not less than two-thirds (2/3) of the votes cast by Shareholders that are present in person or represented by proxy at the Meeting. In addition to the approval of the Shareholders, implementation of the Share Consolidation Special Resolution is conditional upon the Company obtaining the necessary regulatory consents.

### *Fractional Common Shares*

No fractional Common Shares will be issued in connection with the Share Consolidation. In the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon such Share Consolidation, the number of Common Shares to be received by such holder will be rounded down to the nearest whole Common Share. The Share Consolidation will affect all Shareholders uniformly and will not affect any Shareholders' percentage interest in the Company, except to the extent that the Share Consolidation would otherwise result in a Shareholder owning a fractional share. In addition, the Share Consolidation will not affect any Shareholder's proportionate voting rights, subject to the treatment of fractional shares described above.

The terms of the Company's Stock Options, RSUs, warrants and convertible securities that are outstanding prior to the implementation of the Share Consolidation will be adjusted to their terms on at same Consolidation Ratio under the Share Consolidation, as applicable (ie; the number of Common Shares issuable will decrease and the exercise price or conversion price, as applicable, will increase proportionately).

If the Share Consolidation Special Resolution is passed by the requisite number of Shareholders at the Meeting and receives the necessary regulatory approvals, upon the filing of the articles of amendment to implement the Share Consolidation, the Common Shares will be consolidated into new Common Shares as described in this Information Circular.

**Management recommends that shareholders vote in favour of Share Consolidation Special Resolution and the Share Consolidation. In the absence of contrary instruction, management proxyholders intend to vote FOR the adoption of the Share Consolidation Special Resolution.**

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass, with or without amendments, the following special resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The board of directors of the Company (the "**Board**") is hereby authorized to determine, in its sole discretion, a consolidation ratio within the range of one post-consolidation share of the Company for every two to up to twenty pre-consolidation common shares of the Company of the same class (the "**Consolidation Ratio**"), and the Company is hereby authorized to change the number of the issued and outstanding common shares of the Company ("**Common Shares**") pursuant to the *Business Corporations Act* (Ontario) by consolidating the issued and outstanding Common Shares on the basis of such Consolidation Ratio (the "**Share Consolidation**"), which Share Consolidation will become effective on a date in the future to be determined by Board, subject to the Board's authority to decide not to proceed with the Share Consolidation.
2. The consummation of the Share Consolidation will be completed in a manner such that no fractional Common Shares will be issued in connection with the Share Consolidation and, in the event a shareholder would otherwise be entitled to receive a fractional Common Share in connection with the Share Consolidation, the number of Common Shares to be

received by such shareholder shall be rounded down to the next lowest whole number of Common Shares.

3. Any one director or officer of the Company be and is hereby authorized to send to the Director appointed under the *Business Corporations Act* (Ontario) Articles of Amendment of the Company in the prescribed form, and any one or more directors are hereby authorized to prepare, execute and file Articles of Amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution.
4. Notwithstanding that this resolution has been passed by the shareholders of the Company, the approval of the Share Consolidation is conditional upon receipt of applicable regulatory approval, and the Board be and it is hereby authorized, in its sole discretion, to revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of Common Shares."

In accordance with the Company's articles and the OBCA, approval of the Share Consolidation requires that the resolution be passed by a majority of not less than two-thirds (2/3) of the votes cast by Shareholders that are present in person or represented by proxy at the Meeting.

If shareholders pass the resolution, the consolidation will take effect on a date to be coordinated with the CSE and announced in advance by the Company.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Not applicable.

#### **GENERAL MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

#### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended **March 31, 2023**, and for the financial period from **March 31, 2021** and ending on **March 31, 2022**, and the respective reports of the auditor and the related management discussion and analysis which were filed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca), of which will be placed before the Meeting.

Additional information relating to the Company is filed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca) and upon request from the Company at 121 Richmond Street West, Penthouse Suite, 1300 Toronto, Ontario

M5H 2K1, Tel: 416-477-1708. Copies of documents will be provided free of charge to securityholders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Management Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

### **BOARD APPROVAL**

The contents of this Management Information Circular and its distribution to shareholders have been approved by the Board of Directors.

**DATED** at Toronto, Ontario on May 1, 2024.

**By the Order of the Board of Directors**

*(signed) "Jody Aufrichtig"*

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Jody Aufrichtig  
Director and Executive Chairman

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

## **SCHEDULE "A" - AUDIT COMMITTEE CHARTER**

### **PSYENCE GROUP INC. AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER**

#### **I. PURPOSE**

The Audit Committee is a committee of the Board of Directors. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Corporation to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Corporation's financial reporting process and internal controls, the Corporation's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements;
- encouraging continuous improvement of, and fostering adherence to, the Corporation's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter.

#### **II. COMPOSITION AND MEETINGS**

The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within sixty (60) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and independent auditors of the Corporation.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditor and management at least annually to review the Corporation's financial statements.

Quorum for the Sale of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Audit Committee shall by resolution determine.



Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of the members. The notice period may be waived by a quorum of the Committee. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

### **III. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Audit Committee shall:

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, as conditions dictate.
3. Describe briefly in the Corporation's annual report and more fully in the Corporation's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
4. Submit the minutes of all meetings of the audit committee to the Board of Directors.

#### Documents/Reports Review

5. Review the organization's annual financial statements and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
6. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.
7. Review with financial management and the independent auditor any filings with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

#### Independent Auditor

8. Recommend to the Board of Directors the selection of the independent auditor, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board of Directors, as the shareholders' representative is the independent auditor's client.
9. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
10. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Corporation to determine their independence.
11. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
12. Review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.

13. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
14. Arrange for the independent auditor to be available to the Audit Committee and the full Board of Directors as needed.

#### Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the organization's financial reporting processes, both internal and external.
16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
17. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

#### Process Improvement

18. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments.
19. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
20. Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.
21. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
22. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
23. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
24. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration at the full Board of Directors.

### Ethical and Legal Compliance

25. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results of confirmations and violations of such Code.
26. Review management's monitoring of the Corporation's system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
27. Review, with the organization's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

### Risk Management

28. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

### General

29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
30. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
31. Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Corporation's financial statements are in accordance with generally accepted accounting principles as these are the responsibility of management and the independent auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.

**SCHEDULE "B" - COMPENSATION COMMITTEE CHARTER**

*[see enclosed]*

# PSYENCE GROUP INC - COMPENSATION COMMITTEE CHARTER

**Charter Draftsman**  
General Counsel

**Contact**  
Group CFO

**Approvers**  
Board of the Company

**Version/Date**  
Version 1/Approved May 12, 2022

## 1 INTRODUCTION

- 1.1 The Compensation Committee (the "**Committee**") is constituted as a sub-committee of the board of directors of Psyence Group Inc. (the "**Company**"). The duties and responsibilities of the members of the Committee are in addition to those as members of the board and shall be carried out in respect of the Company and all its subsidiaries.
- 1.2 The deliberations of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.
- 1.3 The terms of this Charter are subject to the provisions of the Business Corporations Act (Ontario), the Company's Articles and By-Laws, the Company's Stock Option Plan ("**SOP**")<sup>1</sup> and Restricted Share Unit Plan ("**RSUP**")<sup>2</sup> (the SOP and RSUP collectively referred to as the "**Equity Plans**"), the Company's incentive plan proposal, and any other applicable law, securities exchange or regulatory provision.

## 2 PURPOSE OF THE COMMITTEE AND THIS CHARTER

- 2.1 The Committee shall assist the board, in fulfilling its responsibilities relating to oversight of the Company's compensation policies, plans and programs, compensation of the Company's directors, CEO, CFO and other executive officers and the Company's equity-based and incentive compensation programs.
- 2.2 The purpose of this Charter is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

## 3 COMPOSITION AND INDEPENDENCE

- 3.1 The Committee comprises at least three members selected from the Company's board of directors, a majority of whom shall be independent, to the extent practicable given the Company's board composition.
- 3.2 For purposes of this Charter, a Committee member shall be "independent" if it:
  - 3.2.1 It is independent in character and judgement with no relationships or circumstances which are likely to affect, or could appear to affect this independence;
  - 3.2.2 is not a representative of a shareholder who has the ability to control or significantly influence management or the board;
  - 3.2.3 does not have a direct or indirect interest in the Company (including any parent or subsidiary in a consolidated group with the Company) which exceeds 5% of the group's total number of shares in issue;
  - 3.2.4 has not been employed by the Company or any group company as the designated auditor or partner in the group's external audit

<sup>1</sup> as adopted by board of directors of the Company on November 9, 2021 and confirmed by shareholders on December 9, 2021.

<sup>2</sup> as adopted by board of directors of the Company on March 1, 2022.

firm.

- 3.3 Members of this Committee and its chairman are nominated by the board.
- 3.4 Each member of the Committee shall serve at the pleasure of the board until the member resigns, is removed or ceases to be a member of the board. The board shall fill vacancies in the Committee by appointment from among the members of the board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.
- 3.5 The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.

#### 4 **ROLE**

- 4.1 The Committee has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 4.2 The role of the Committee is to assist the board to ensure that:-
  - 4.2.1 the Company remunerates directors and executives fairly and responsibly; and
  - 4.2.2 the disclosure of director and remuneration is accurate and transparent.

#### 5 **RESPONSIBILITIES**

- 5.1 The Committee must perform all the functions necessary to fulfil its role as stated above and including the following:
  - 5.1.1 Oversee the establishment and implementation of remuneration policies in relation to directors and other executives' remuneration. This includes compiling and recommending an overall compensation strategy and executive compensation philosophy to the board.
  - 5.1.2 Review the outcomes of the implementation of these policies for whether these policies promote the achievement of strategic objectives and encourage individual performance. The Committee will recommend the necessary improvements to the board in this regard. The foregoing shall be based on the principles that compensation should, to a significant extent, be reflective of the financial performance of the Company, and ensure that the administration of the Company's executive compensation plans, policies and practices conform to this principle.
  - 5.1.3 Review the remuneration disclosure to ensure that it is accurate and transparent and provides sufficient forward-looking information for the approvers of compensation policy to assess the proposed compensation policy.
  - 5.1.4 The duties of the "Committee" as set out in the Equity Plans which include but are not limited to the duties contemplated in section 8 of the SOP and sections 1.6 to 1.8 of the RSUP. The Committee shall, among other things,;
    - 5.1.4.1 Make determinations with respect to the equity compensation of executive officers, senior management and all "Eligible Persons", to be comprised solely of awards made pursuant to an Equity Plan.
    - 5.1.4.2 Administer and make grants under the Company's Equity Plans.
    - 5.1.4.3 Oversee the development of new equity plans or the revision of existing Equity Plans.
- 5.2 The Committee shall review and establish appropriate insurance coverage for the Company's directors and executive officers.
- 5.3 The Committee shall perform all such other functions as may be required by applicable law, the securities exchange or regulatory provisions, or as requested by the board or deemed appropriate by the Committee.

#### 6 **AUTHORITY**

- 6.1 The Committee acts in terms of the delegated authority of the board as recorded in this Charter. It has the power to investigate any activity within the scope of this Charter.
- 6.2 The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, officers or company secretary to provide it with information, subject to following a board approved process.
- 6.3 The Committee shall have all of the authority and powers stipulated in the Equity Plans, and this Charter shall constitute a delegation of the board's powers in this regard as contemplated in section 8.2 (*Appointment of Committee*) of the SOP and section 1.8 of the RSUP

*(Delegation to Committee)*. Accordingly, the Committee shall serve as the "Committee" established to administer the Company's Equity Plans and perform the duties of the Committee under those plans and in general, carry out equity and other benefit plan oversight.

- 6.4 The Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 6.5 The Committee may delegate authority to one or more designated members of the Committee.
- 6.6 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at Company's cost, subject to following a board approved process.
- 6.7 The Committee makes the recommendations to the board that it deems appropriate on any area within the ambit of this Charter where action or improvement is required.

## **7 MEETING PROCEDURES**

### **7.1 Frequency**

- 7.1.1 The Committee should hold sufficient scheduled meetings to discharge all its duties as set out in this Charter but subject to a minimum of two meetings per year. Meetings may be held in person at a place and time determined by the Committee or via online or electronic communication facilities.
- 7.1.2 Meetings in addition to those scheduled may be held at the request of the CEO, CFO, head of human resources or other members of senior management or at the instance of the board.
- 7.1.3 The chairman of the Committee may meet with the CEO, CFO, head of human resources and/ or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

### **7.2 Attendance**

- 7.2.1 The CEO, CFO, head of human resources or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 7.2.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc-basis for special matters, unless prior apology, with reasons, has been submitted to the chairman or company secretary.
- 7.2.3 The Committee may nominate the secretary of this Committee.
- 7.2.4 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

### **7.3 Agenda and minutes**

- 7.3.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. More critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.
- 7.3.2 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.
- 7.3.3 Committee members must be fully prepared for Committee meetings to be able to provide appropriate and constructive input on matters for discussion.
- 7.3.4 The minutes must be completed as soon as possible after the meeting and circulated to the chairman and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

### **7.4 Quorum**

- 7.4.1 A representative quorum for meetings is a majority of members present.
- 7.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

7.5 **Actions taken without a meeting**

Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.

8 **EVALUATION**

The board must perform an evaluation of the effectiveness of the Committee every year.

9 **APPROVAL OF THIS CHARTER**

This Charter was approved by the board of the Company on May 12, 2022 and will be due for review on May 11, 2023.



**SCHEDULE "C" – STOCK OPTION PLAN**

*[see enclosed]*

**PSYENCE GROUP INC.  
STOCK OPTION PLAN  
ADOPTED BY THE BOARD NOVEMBER 9, 2021 AND CONFIRMED BY  
SHAREHOLDERS DECEMBER 9, 2021**

**SECTION 1  
DEFINITIONS AND INTERPRETATION**

**1.1**            **Definitions**

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a)    “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b)    “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- (c)    “**Board**” means the board of directors of the Company.
- (d)    “**Change of Control**” means an occurrence when either:
  - (i)    a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
  - (ii)   a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company’s then-incumbent Board.
- (e)    “**Committee**” means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (f)    “**Company**” means Psyence Group Inc.
- (g)    “**Consultant**” means an individual who:
  - (i)    is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
  - (ii)   provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);

- (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 any Subsidiary; and
- (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
  - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (h) “**CSE**” means the Canadian Securities Exchange.
- (i) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (j) “**Employee**” means:
- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
  - (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
  - (iv) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (k) “**Executive**” means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and

- (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder.
- (m) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has vested pursuant to the terms and conditions of this Plan and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (n) “**Exercise Price**” means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (o) “**Expiry Date**” means the date the Option expires as set out in the Option Agreement or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (p) “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Toronto, Ontario on the Expiry Date.
- (q) “**Grant Date**” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (r) “**Insider**” means an insider as that term is defined in the *Securities Act*;
- (s) “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:
    - (1) to promote the sale of products or services of the Company; or
    - (2) to raise public awareness of the Company;that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
  - (ii) that activities or communications necessary to comply with the requirements of:
    - (1) applicable securities laws, policies, or regulations;
    - (2) the rules, and regulations of the CSE or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Company; or
  - (iii) activities or communications that may be otherwise specified by the CSE;

- (t) “**Legacy Plan**” means the prior stock option plan of the Company, initially adopted on August 5, 2008, as amended on January 15, 2021.
- (u) “**Option**” means a share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (v) “**Option Agreement**” means the agreement, in substantially the form set out as Schedule “A” hereto, evidencing the Option.
- (w) “**Option Holder**” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (x) “**Outstanding Issue**” means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (y) “**Person or Entity**” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (z) “**Personal Representative**” means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (aa) “**Plan**” means this stock option plan as from time to time amended.
- (bb) “**Regulatory Approvals**” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (cc) “**Regulatory Authorities**” means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (dd) “**Regulatory Rules**” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ee) “**Securities Act**” means the *Securities Act* (Ontario) as amended from time to time.
- (ff) “**Security Based Compensation Arrangements**” means any incentive plan of the Company (other than this Plan), including the Company’s restricted share unit plan, as well

as any other (i) stock option plans for the benefit of Employees, Insiders, service providers or any one of such groups; (ii) individual stock options granted to Employees, service providers or Insiders if not granted pursuant to a plan previously approved by the Company's security holders; (iii) stock purchase plans where the Company provides financial assistance or where the Company matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Company; and (vi) security purchases from treasury by an Employee, Insider or service provider which is financially assisted by the Company by any means whatsoever;

- (gg) **"Share"** or **"Shares"** means, as the case may be, one or more common shares in the capital of the Company.
- (hh) **"Subsidiary"** means a wholly-owned or controlled subsidiary corporation of the Company.
- (ii) **"Triggering Event"** means:
  - (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (jj) **"vest"** or **"vested"** or **"Vesting"** means that portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

## **1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws in any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of Ontario.

### **1.3**            **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

## **SECTION 2 GRANT OF OPTIONS**

### **2.1**            **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

### **2.2**            **Record of Option Grants**

The Administrator shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

### **2.3**            **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Agreements issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Agreements will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Agreement, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Agreement for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

All stock options previously granted pursuant to the Legacy Plan shall continue to be governed by the terms and conditions of the Legacy Plan, and shall not be subject to the terms and conditions of this Plan. For greater certainty, no further stock options may be granted pursuant to the Legacy Plan.

## **SECTION 3 PURPOSE AND PARTICIPATION**

### **3.1 Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants, if any, to whom Options are to be granted.

### **3.3 Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Shares which may be reserved for issuance to any one Option Holder under the Plan which are subject to outstanding Options granted under the Plan must not exceed five percent (5%) of the issued Shares (determined at the date the Option was granted) in a twelve (12) month period, unless the Company first obtains disinterested shareholder approval of this Plan pursuant to the Regulatory Rules (but only if the Regulatory Rules require such approval);
- (b) The number of Shares granted to any one Consultant under the Plan together with all other Security Based Compensation Arrangements in a twelve (12) month period must not exceed two percent (2%) of the issued Shares of the Company, calculated at the date the Option was granted to the Consultant.
- (c) The aggregate number of Options granted to an Option Holder employed to provide Investor Relations Activities under the Plan must not exceed two percent (2%) of the issued Shares of the Company in any twelve (12) month period, calculated at the date the Option was granted.
- (d) Unless the Company has first obtained disinterested shareholder approval of this Plan pursuant to the Regulatory Rules (but only if the Regulatory Rules require such approval), the aggregate number of Shares (i) issued to Insiders under the Plan within a twelve-month period, and (ii) issuable to Insiders of the Company at any time under the Plan, together with all of the Company's other Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the total number of Shares then outstanding (calculated at the date an Option is granted to any Insider).
- (e) Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan; and
- (f) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option.



### **3.4 Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Agreement representing the Option so granted. In no case will the Company be required to deliver an Option Agreement to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

### **3.5 Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### **3.6 Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

### **3.7 No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options granted under this Plan.

### **3.8 Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly. Nothing in this section shall be construed as preventing the Company from attaching to any Options granted hereunder terms or conditions that are more stringent than those set out in the Plan, including any terms or conditions that, in the opinion of United States counsel to the Company, are advisable in order to comply with laws applicable to grants to United States Option Holders, or to make grants to such Option Holders more tax efficient.

### **3.9 Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

### **3.10**            **Representation to CSE**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the CSE as of the Grant Date that the Option Holder is a bona fide Executive, Employee or Consultant of the Company or any Subsidiary.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### **4.1**            **Number of Shares**

Subject to adjustment as provided for herein, the aggregate number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan and the Legacy Plan will not exceed 10% of the number of Shares which are issued and outstanding from time to time. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

### **4.2**            **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

### **5.1**            **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Agreement issued in respect of such Option.

### **5.2**            **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Agreement issued in respect of the Option.

### **5.3**            **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Agreement issued in respect of the Option. The Exercise Price shall not be less than the price determined in accordance with CSE policies while the Company's Shares are listed on the CSE.

### **5.4**            **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become

null, void and of no effect as of the Expiry Time. The Expiry Date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Agreement or, if no such date is set out in for the Option Agreement the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

(a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Agreement, the 90th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:

- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
- (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order; in

which case the Expiry Date shall be the date the Option Holder ceases to hold such position;  
OR

(b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant, other than an Option Holder who is engaged in Investor Relations Activities, and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Agreement, the 90th day following the date the Option Holder ceases to hold such position, or, in the case of an Option Holder that is engaged in Investor Relations Activities, the 30th day after the date such Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning or terminating his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order; in

which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

## **5.5 Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Agreement issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan, subject to the limitation under subsection 3.3.

## **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Agreement. The Option Agreements will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Agreement, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Agreement for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

# **SECTION 6 TRANSFERABILITY OF OPTIONS**

## **6.1 Non-transferable**

Except as provided otherwise in this section 6 or expressly set out in an Option Agreement, Options are non-assignable and non-transferable.

## **6.2 Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

## **6.3 Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

## **6.4 Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within six months after the termination of such engagement, any vested Options at the time an Option Holder ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary which remains exercisable may be exercised in accordance with its terms by the Personal Representative of such

Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

#### **6.5 Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

#### **6.6 Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

### **SECTION 7 EXERCISE OF OPTION**

#### **7.1 Exercise of Option; Black Out Period**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time by delivering to the Administrator the required Exercise Notice, the applicable Option Agreement and a certified cheque or bank draft or wire transfer payable to the Company in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during Black-Out unless the Committee determines otherwise. Notwithstanding any other provision of this Plan, the Exercise Period of Options that would expire during a Black-Out shall be extended to the date that is 10 business days following the expiry of the applicable Black-Out.

#### **7.2 Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate (or DRS statement) for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Agreement surrendered, the Administrator shall also provide a new Option Agreement for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share certificate (or DRS statement).

#### **7.3 No Rights as Shareholder**

Until the date of the issuance of the certificate (or DRS statement) for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificate (or DRS statement), the decision of the Committee shall be final, conclusive and binding.

#### **7.4 Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **SECTION 8 ADMINISTRATION**

#### **8.1 Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

#### **8.2 Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan.

#### **8.3 Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this section 8, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to that member). The Committee may approve matters by written resolution signed by a majority of the quorum.

#### **8.4 Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
  - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Dates, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted, subject always to the limitation in subsection 3.3; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

## **8.5 Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

## **8.6 Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder

shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **SECTION 9 APPROVALS AND AMENDMENT**

### **9.1           Shareholder Approval of Plan**

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company. Any Options granted under this Plan will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

### **9.2           Amendment of Option or Plan**

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the CSE.

## **SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

### **10.1           Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Agreements and the certificate (or DRS statement) representing such Shares accordingly.

### **10.2           Obligation to Obtain Regulatory Approvals**

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend



this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

### **10.3 Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

## **SECTION 11 ADJUSTMENTS AND TERMINATION**

### **11.1 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

### **11.2 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

### **11.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

#### **11.4**            **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Agreement, the Committee may, without the consent of the Option Holder or Option Holders in question:

- (a)     cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b)     cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

#### **11.5**            **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

#### **11.6**            **Determinations to be Made By Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

**SCHEDULE "A"**

**[Any applicable securities law resale restrictions to be added hereto.]**

**OPTION AGREEMENT**

Psyence Group Inc. (the "**Company**") hereby grants to the Optionee named below (the "**Optionee**"), the Option to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement, together with the provisions of the Company's stock option plan dated \_\_\_\_\_ (the "**Plan**") as it may be amended or replaced from time to time in accordance with the terms of the Plan, the number of Shares in the capital of the Company at the price per share set forth below:

Name of Optionee: \_\_\_\_\_

Type of Eligible Person: Executive (including members of the Board), Employee, Consultant  
(choose one) \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Total Number of Shares Subject to Option: \_\_\_\_\_

Exercise Price: CDNS\$ \_\_\_\_\_

Vesting Schedule:\*

- a) 1/3 6 months after listing
- b) 1/3 12 months after listing
- c) 1/3 30 months after listing
- d) \* *in each case measured from the date of the listing of the shares of the Company, or the shares of any corporation for which the Company's shares are exchanged, on the Canadian Securities Exchange*

Expiry Date: \_\_\_\_\_

1. The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Option Agreement and all capitalized terms used in this Agreement, unless expressly defined in a different manner, have the meanings given to them in the Plan.
2. Subject to the Plan and unless otherwise determined by the Board at the time of granting an Option, each Option shall vest as set out in the table above.
3. In no event is the Option exercisable, in whole or in part, after the Expiry Date.
4. No fractional Shares will be issued on the exercise of any part of the Option. If, as a result of any adjustment to the number of Shares issuable on the exercise of the Option pursuant to the Plan, the Optionee would be entitled to receive a fractional Share, the Optionee has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded.

5. Nothing in the Plan or in this Option Agreement will affect the Company's right, or that of an affiliate, to terminate the employment of, term of office of, or consulting agreement or arrangement with an Optionee at any time for any reason. Upon such termination, an Optionee's rights to exercise Options will be subject to the restrictions and time limits for the exercise of Options set out in the Plan.
6. In the event the Optionee violates, breaches, fails to fully perform or otherwise contravenes any obligation it owes to the Company set out in any agreement it has with the Company or to which it is subject under applicable law pertaining to (i) non-disclosure of confidential information of the Company, (ii) ownership of intellectual property or inventions, (iii) noncompetition or restraint of trade undertakings or (iv) dealings with employees or customers of the Company, then all unexercised Options, whether vested or unvested, held by such Optionee shall be deemed to have terminated immediately upon the occurrence of such event and thereafter shall be deemed to be null and void and no longer exercisable or enforceable.
7. In the event (i) the Optionee's employment or consulting services with the Company or any of its affiliated companies is/are terminated for cause or (ii) the Optionee ceases to be a director of the Company following a breach of its fiduciary duty to the Company under any applicable law or as contemplated in any agreement with the Company, then all unexercised Options held by the Optionee, whether vested or unvested, shall be deemed to have terminated immediately upon delivery to the Optionee of notice of termination or notice of removal or the Optionee's resignation and thereafter all of such Options shall be deemed to be null and void and no longer exercisable or enforceable.
8. Each notice relating to the Option must be in writing. Any exercise of the Option must be in the exercise form attached to this Agreement as Schedule "A". All notices to the Company must be delivered personally or by prepaid registered mail and must be addressed to the Secretary of the Company. All notices to the Optionee will be addressed to the principal address of the Optionee on file with the Company. Either the Company or the Optionee may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid, registered mail, on the fifth business day following the date of mailing. Any notice given by the Optionee is not binding on the Company until received.
9. If the issuance of Shares on the exercise of the Option may, in the opinion of the Company, conflict or be inconsistent with any applicable law or regulation of any governmental agency having jurisdiction, the Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.
10. Subject to the Plan, the Option granted pursuant to this Option Agreement may only be exercised during the lifetime of the Optionee by the Optionee personally and, subject to the Plan, no assignment or transfer of the Option, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Option whatsoever in any assignee or transferee, and immediately upon any assignment or transfer or any attempt to make such assignment or transfer, the Option terminates and is of no further force or effect. Complete details of this restriction are set out in the Plan.
11. The Optionee hereby agrees that:

- (a) any rule, regulation or determination, including the interpretation by the Board of the Plan, the Option granted hereunder and the exercise of it, is final and conclusive for all purposes and binding on all persons including the Company and the Optionee; and
  - (b) the grant of the Option does not affect in any way the right of the Company or any affiliate to terminate the employment or service of the Optionee.
12. The Optionee hereby acknowledges and agrees that his/her/its participation in the grant of the Option (the “**trade**”) is entirely voluntary. In that regard, the Optionee acknowledges that under applicable securities laws, participation in the trade is considered voluntary if:
- (a) in the case of an Employee, the Employee is not induced to participate in the trade by expectation of employment or continued employment of the Employee with the Company or an affiliate;
  - (b) in the case of an Executive, the Executive is not induced to participate in the trade by expectation of appointment, employment, continued appointment or continued employment of the Executive with the Company or an affiliate; and
  - (c) in the case of a Consultant, the Consultant is not induced to participate in the trade by expectation of engagement of the Consultant to provide services or continued engagement of the Consultant to provide services to the Company or an affiliate.
13. This Option Agreement shall terminate and be of no further force or effect if not executed and returned by the Optionee within one week of the date of grant of the Option.
14. This Option Agreement has been made in and is to be construed under and in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
15. This Option Agreement or any part of it may be executed by the parties in separate counterparts each of which, when executed, shall be considered to be an original and all of which shall constitute the same agreement. Executed counterparts may be delivered by facsimile or other electronic delivery, including Adobe Acrobat PDF.

**PSYENCE GROUP INC.**

By: \_\_\_\_\_  
Authorized Signatory

I have read the foregoing Option Agreement and hereby accept the Option to purchase Shares in accordance with and subject to the terms and conditions of this Option Agreement and the Plan. I understand that I may review the complete text of the Plan by contacting the Secretary of the Company. I agree to be bound by the terms and conditions of the Plan governing the award of Options evidenced by this Option Agreement.

---

Date Accepted

---

Optionee's Signature

---

Optionee's Name  
(Please Print)

**SCHEDULE "A"**

**EXERCISE FORM**

**TO: PSYENCE GROUP INC.**

The undersigned holder of the within Option hereby irrevocably exercises the Option and subscribes for the number of Shares of Psyence Group Inc. at the Exercise Price referred to in such Option and encloses herewith a certified cheque, bank draft or money order payable to the order of Psyence Group Inc. in full payment of the subscription price of the Shares hereby subscribed for.

The undersigned hereby directs that the said Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF SHARES

(Please print. If securities are issued to a person other than the holder, the holder must pay all exigible taxes and the signature of the holder must be guaranteed.)

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Witness	)	Signature
	)	
	)	
	)	Print Name
	)	
	)	
	)	Address in full

If required, the signature of holder must be guaranteed by a Canadian chartered bank or a Canadian trust company or by a member firm of a Canadian stock exchange.

**SCHEDULE "D" – RESTRICTED SHARE UNIT PLAN**

*[see enclosed]*



**AMENDED AND RESTATED RESTRICTED SHARE UNIT PLAN OF  
PSYENCE GROUP INC.  
(The “Corporation”) (effective as of March 1, 2022)**

**PART 1  
GENERAL PROVISIONS**

**Establishment and Purpose**

- 1.1 The Corporation’s Restricted Share Unit (“RSU”) plan (in this document referred to as the “Plan”) was initially established by the Board (as defined below) on August 13, 2021. The Board subsequently approved this version of the RSU Plan on November 9, 2021, subject to shareholder approval. Shareholders approved of the amendments to the Plan and it became effective on December 9, 2021. The Board subsequently amended the Plan on February 16, 2022, with effect March 1, 2022.
- 1.2 The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by Eligible Persons who, in the judgment of the Board, will be responsible for its future growth and success. The Board also contemplates that through the Plan, the Corporation will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Corporation.

**Definitions**

- 1.3 In this Plan:
- (a) “**Affiliate**” means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 - *Prospectus Exemptions*, as may be amended from time to time;
  - (b) “**Applicable Law**” means all applicable federal, provincial, and foreign laws and any regulations, instruments or orders enacted thereunder, and the rules, regulations, and policies of the Exchange;
  - (c) “**Applicable Withholding Tax**” means any and all taxes and other source deductions or other amounts which the Corporation is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan, which the Corporation determines to withhold in order to fund remittance obligations;
  - (d) “**Award**” means an award of RSUs under this Plan represented by a Restricted Share Unit Notice;
  - (e) “**Award Payout**” means the applicable Share issuance in respect of a vested RSU pursuant and subject to the terms and conditions of this Plan and the applicable Award;
  - (f) “**Award Value**” means, with respect to any RSUs, an amount equal to the number of RSUs, as such number may be adjusted in accordance with the terms of this Plan, multiplied by the Fair Market Value of the Shares;
  - (g) “**Board**” means the board of directors of the Corporation;
  - (h) “**Business Day**” means a day upon which the Exchange is open for trading;
  - (i) “**Canadian Employee Participant**” means a Participant who (a) is resident in Canada for the purposes of the Tax Act or is otherwise subject to taxation under the Tax Act in respect of any RSU granted under this Plan, and (b) is granted a RSU in respect of, in the course of, or by virtue of such Participant’s “office or employment” within the meaning of the Tax Act;

- (j) **“Change of Control”** means:
- (i) a successful takeover bid for Shares of the Corporation; or
  - (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in:
    - (1) a person or group of persons “acting jointly or in concert” (within the meaning of NI 62-104); or
    - (2) an affiliate or associate of such person or group of persons;  
holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and
  - (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change ceasing to constitute a majority of the Board at any time within sixty days of such change; or
  - (iii) any person or group of persons shall succeed in having a sufficient number of its nominees elected as directors of the Corporation such that such nominees, when added to any existing directors of the Corporation, will constitute a majority of the Board;
  - (iv) the winding up of the Corporation or the sale, lease or transfer of all or substantially all of the assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the shareholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a “Change of Control” if paragraph 1.3(j)(ii) above was applicable to the transaction); or
  - (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of this Plan;
- (k) **“Code”** means the U.S. Internal Revenue Code of 1986, as amended;
- (l) **“Committee”** means the Compensation Committee of the Board or other committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with Section 1.8 hereof;
- (m) **“Consultant”** means an individual or Consultant corporation other than an Employee or a Director of the Corporation, that (i) provides ongoing consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation; (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Consultant corporation; (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (n) **“Corporation”** means, and includes any successor corporation thereto;
- (o) **“CSE”** means the Canadian Securities Exchange;
- (p) **“Director”** means a member of the Board;

- (q) “**Eligible Person**” means any person who is an Employee, Officer, Director or a Management Company Employee or a Consultant;
- (r) “**Employee**” means an employee of the Corporation or of a Related Entity;
- (s) “**Exchange**” means such duly recognized Canadian stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (t) “**Exercise Date**” means the date a Participant requests the issuance of Shares, pursuant to an Exercise Notice, issuable upon vesting of an Award and prior to the Expiry Date;
- (u) “**Exercise Notice**” means the notice respecting the issuance of Shares pursuant to vested RSU(s), substantially in the form attached to the Restricted Share Unit Notice, duly executed by the Participant;
- (v) “**Expiry Date**” means, with respect to a RSU, the earlier of the tenth anniversary of the date of the RSU grant and such earlier expiry date as may be determined by the Board, in its sole discretion, and set out in the applicable RSU Agreement;
- (w) “**Fair Market Value**” with respect to a Share, as at any date, means the volume weighted average of the prices at which the Shares traded on the Exchange (or, if the Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Shares occurs) for the three (3) trading days on which the Shares traded on the said stock exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (x) “**Grant Date**” means the date of grant of any RSU;
- (y) “**Insider**” means has the meaning ascribed to that term pursuant to the *Securities Act* (Ontario);
- (z) “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (1) to promote the sale of products or services of the Corporation; or
    - (2) to raise public awareness of the Corporation;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (1) applicable securities laws, policies, or regulations;
    - (2) the rules, and regulations of the CSE or the by-laws, rules or other regulatory instruments of any other self-regulatory body or Exchange having jurisdiction over the Corporation; or
  - (iii) activities or communications that may be otherwise specified by the CSE;
- (aa) “**Management Company Employee**” means an individual employed by a corporation providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a person engaged in Investor Relations Activities;

- (bb) “**Officer**” means an individual who is an officer of the Corporation or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (cc) “**Outside Payment Date**” in respect of a RSU, means December 31 of the calendar year in which the Expiry Date occurs;
- (dd) “**Outstanding Issue**” means the number of Shares outstanding on a non-diluted basis;
- (ee) “**Participant**” means an Eligible Person who may be granted RSUs from time to time under this Plan;
- (ff) “**Plan**” means this Restricted Share Unit Plan, as amended from time to time;
- (gg) “**Related Entity**” means a person that is controlled by the Corporation. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of:
  - (i) ownership of or direction over voting securities in the second person;
  - (ii) a written agreement or indenture;
  - (iii) being the general partner or controlling the general partner of the second person; or
  - (iv) being a trustee of the second person;
- (hh) “**Restricted Share Unit Notice**” means the form of notice set out in Schedule “A”;
- (ii) “**RSU**” means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in Section 4.1 hereof;
- (jj) “**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time;
- (kk) “**Security Based Compensation Arrangements**” means any incentive plan of the Corporation (other than this Plan), including the Corporation’s stock option plan, as well as any other (i) stock option plans for the benefit of employees, Insiders, service providers or any one of such groups; (ii) individual stock options granted to employees, service providers or Insiders if not granted pursuant to a plan previously approved by the Corporation’s security holders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or service provider which is financially assisted by the Corporation by any means whatsoever;
- (ll) “**Share**” means a common share in the capital of the Corporation as from time to time constituted;
- (mm) “**Tax Act**” means *Income Tax Act* (Canada);
- (nn) “**Total Disability**” means, with respect to a Participant, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Corporation, the Participant, is deemed by a qualified physician selected by the Corporation to be unable to work at any occupation which the Participant, is reasonably qualified to perform; and
- (oo) “**Vesting Date**” means, with respect to any RSU, the date upon which such RSU shall irrevocably vest in accordance with the terms hereof.

## Interpretation

1.4 For all purposes of this Plan, except as otherwise expressly provided or unless the context otherwise requires:

- (a) any reference to a statute shall include and shall, unless otherwise set out herein, be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulations;
- (b) the singular includes the plural and vice-versa, and a reference to any of the feminine, masculine or neuter includes the other two;
- (c) any reference to “consent” or “discretion” of any person shall be construed as meaning that such person may withhold such consent arbitrarily or grant it, if at all, on such terms as the person sees fit, and may exercise all discretion fully and in unfettered manner; and
- (d) any reference to “including” or “inclusive” shall be construed as not restricting the generality of any foregoing or other provision.

### **Effective Date**

- 1.5 The Board may, in its discretion, at any time, and from time to time, issue RSUs to Eligible Persons as it determines appropriate under this Plan.

### **Administration**

- 1.6 The Board shall have the full power to administer this Plan, including, but not limited to, the authority to:
- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
  - (b) adopt, amend, suspend, and rescind such rules and regulations for administration of this Plan as the Board may deem necessary in order to comply with the requirements of this Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
  - (c) determine the individuals or companies to whom RSUs may be awarded;
  - (d) award such RSUs on such terms and conditions as it determines including, without limitation: the time or times at which RSUs may be awarded; the time or times when each RSU shall vest and the term of each RSU; whether restrictions or limitations are to be imposed on the Shares the Corporation may elect to issue in settlement of all or a portion of the Award Value of vested RSUs and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RSU; in each case, based on such factors as the Board may determine appropriate, in its sole discretion;
  - (e) take any and all actions permitted by this Plan; and
  - (f) make any other determinations and take such other action in connection with the administration of this Plan that it deems necessary or advisable.
- 1.7 The interpretation and construction of any provision of this Plan by the Board shall be final and conclusive. Administration of this Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **Delegation to Committee**

- 1.8 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under Section 1.6 and all actions taken and decisions made by the Committee or by such officers in this regard will be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Eligible Person, and their legal representatives.

### **Incorporation of Terms of Plan**

- 1.9 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each RSU granted under this Plan.

### **Indemnification**

- 1.10 Each member of the Board or Committee is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by Applicable Law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

### **Maximum Number of Shares**

- 1.11 The aggregate number of Shares that may be reserved for issuance pursuant to awards granted under the Plan, at any time, shall not exceed 7.5% of the Shares in the capital of the Corporation issued and outstanding from time to time, subject to adjustment as provided in the Plan.
- 1.12 Any Shares subject to a RSU which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being paid out in Shares as provided for in this Plan shall again be available under the Plan.
- (a) So long as the Corporation is subject to CSE requirements, no RSU may be issued to anyone engaged to perform Investor Relations Activities for the Corporation and in no event can an issuance of RSU, when combined with any grants made pursuant to any other Security Based Compensation Arrangement, result in:
- (i) any one person being granted such number of share-based compensation awards equaling or exceeding 5% of the issued Shares, within any 12-month period, calculated on the date a security-based compensation unit/option is granted to the person (unless the Corporation has obtained the requisite disinterested shareholder approval); and
  - (ii) any one Consultant in a 12-month period being granted such number of share-based compensation awards equaling or exceeding 2% of the issued Shares, calculated at the date the security-based compensation unit/option is granted to the Consultant.

## **PART 2 AWARDS UNDER THIS PLAN**

### **Eligibility**

- 2.1 Awards will be granted only to Eligible Persons. If any Eligible Person is (pursuant to the terms of his or her employment, engagement or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Committee may (in its discretion, taking into account relevant corporate, securities and tax laws) grant any Award to which such Eligible Person would otherwise be entitled to the Eligible Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Eligible Person. The Committee shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.

### **Limitation on Issuance of Shares to Insiders**

- 2.2 Notwithstanding anything in this Plan, unless the Corporation has first obtained the requisite disinterested shareholder approval of this Plan, the Corporation shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Corporation where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any Security Based Compensation Arrangements, exceeding 10% of the total number of issued and outstanding equity securities of the Corporation on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issuable to Insiders under any Security Based Compensation Arrangements, exceeding 10% of the total number of issued and outstanding equity securities of the Corporation on a non-diluted basis.

### **PART 3 RESTRICTED SHARE UNITS**

#### **Participants**

- 3.1 RSUs that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions and the Board's discretion) represent a right to a bonus or similar payment to be received for services rendered by such Eligible Person to the Corporation or a Related Entity, as the case may be, in the Corporation's or the Related Entity's fiscal year ending in, or coincident with, such calendar year.

#### **Grant**

- 3.2 The Board may, in its discretion, at any time, and from time to time, grant RSUs to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan, and shall be as set forth in a Restricted Share Unit Notice delivered to such Participant. In making such grants the Board may, in its sole discretion but subject to Section 3.3 hereof, in addition to any performance conditions and restrictions as the Board or the Committee may determine, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of RSUs.

#### **Vesting**

- 3.3 The Board or the Committee may, in its sole discretion, determine the time during which RSUs shall vest (except that no RSU, or portion thereof, may vest after the Expiry Date) and whether there shall be any other conditions or performance criteria to vesting. In the absence of any determination by the Board or the Committee to the contrary, RSUs will vest and be payable as to one third (1/3) of the total number of RSUs granted on each of the first, second and third anniversaries of the date or dates on which an award of RSUs is made to a Participant (computed in each case to the nearest whole RSU), provided that in all cases payment in satisfaction of a RSU shall occur prior to the Outside Payment Date. Notwithstanding the foregoing, the Committee may, in its sole discretion at any time or in the RSU Agreement in respect of any RSUs granted, accelerate, or provide for the acceleration of vesting in whole or in part of RSUs previously granted. The Award Value of any RSU shall be determined as of the applicable Vesting Date.

#### **Forfeiture and Cancellation Upon Expiry Date**

- 3.4 A Participant shall confirm acknowledgement of an award of RSUs made to such Participant in such form as determined by the Board from time to time (the "**RSU Agreement**"), within such time period and in such manner as specified by the Board. It is intended that an award of RSUs to Canadian Employee Participants constitutes and agreement by the Corporation to sell or issue Shares to Canadian Employees within the meaning of subsection 7(1) of the Tax Act. If acknowledgement of an award of RSUs is not confirmed by a Participant within the time specified, the Corporation reserves the right to revoke the crediting of RSUs to the Participant's Account (as defined in Section 3.6).

#### **Forfeiture and Cancellation Upon Expiry Date**

- 3.5 RSUs which do not vest and have not been issued on or before the Expiry Date of such RSU will be automatically deemed cancelled, without further act or formality and without compensation.

## **Account**

- 3.6 RSUs issued pursuant to this Plan (including fractional RSUs, computed to three digits) will be credited to a notional account maintained for each Participant by the Corporation for the purposes of facilitating the determination of amounts that may become payable hereunder (the “**Account**”). A written confirmation of the balance in each Participant’s account will be sent by the Corporation to the Participant upon request of the Participant.

## **Adjustments and Reorganizations**

- 3.7 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off, or other distribution of Corporation assets to shareholders, or any other change in the capital of the Corporation affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of RSUs outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

## **Notice and Acknowledgement**

- 3.8 No certificates will be issued with respect to the RSUs issued under this Plan. Each Participant will, prior to being granted any RSUs, deliver to the Corporation a signed acknowledgement substantially in the form of Schedule “A” to this Plan.

## **PART 4 PAYMENTS UNDER THE RESTRICTED SHARE UNITS**

### **Payment of RSUs**

- 4.1 Subject to the terms of this Plan and, without limitation, Section 3.3 hereof, the Corporation will settle the Award Value in respect of vested RSUs issued under this Plan and credited to the account of a Participant by issuing Shares issued from the treasury of the Corporation (net of any Applicable Withholding Tax) to such Participant, on or before the 10<sup>th</sup> Business Day following the Exercise Date but no later than the Expiry Date of such vested RSU, an Award Payout of one Share for such whole vested RSU.
- 4.2 Fractional Shares shall not be issued and where a Participant would be entitled to receive a fractional Share in respect of any fractional vested RSU, the Corporation shall pay to such Participant, in lieu of such fractional Share, cash equal to the Vesting Date value as at the Exercise Date of such fractional Share. Each Share issued by the Corporation pursuant to this Plan shall be issued as fully paid and non-assessable.

### **Credits for Dividends**

- 4.3 Within ten (10) days following the declaration and payment of dividends on the Shares, the Board may, in its absolute discretion, determine to make a cash payment to a Participant in respect of outstanding RSUs credited to the Participant’s Account (a “**Dividend Equivalent**”). Such Dividend Equivalent, if any, shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant’s Account on the record date for the payment of such dividend, by (b) the Fair Market Value per Share on the dividend record date, with fractions computed to three decimal places. Payment of any such Dividend Equivalent will be made forthwith following any such determination by the Board and in any event within thirty (30) days of such determination.

### **Award Payout**

- 4.4 Upon the vesting of RSUs, no Shares will be issued by the Corporation to the Participant, until the receipt by the Corporation of an Exercise Notice, on or before 5:00 p.m. (Toronto) on the Expiry Date.



## **Effect of Termination of Employment or Engagement, Death or Disability**

- 4.5 Upon the voluntary resignation or the termination for cause of a Participant, all of the Participant's RSUs which remain vested, but unexercised or unvested in the Participant's Account shall be forfeited without any entitlement to such Participant. If the Participant has an employment or consulting agreement with the Corporation, the term "cause" shall include any meaning given to that term in the employment or consulting agreement or, if such term is not defined in such agreement, shall mean any ground which would justify the services of the Participant to be terminated without notice or payment in lieu and/or shall have the meaning given to such term under any Applicable Law.
- 4.6 If a Participant shall die while employed or retained by the Corporation, or while an Officer or Director, the Expiry Date of any vested or unvested RSUs held by the Participant at the date of death, which have not yet been subject to an Exercise Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of death, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of death, the Expiry Date shall be up to one (1) year after the date of death as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the RSUs held by a Participant at the date of death which have not yet vested shall vest immediately upon death.
- 4.7 If the employment or engagement of a Participant shall terminate with the Corporation due to Total Disability while the Participant is employed or retained by the Corporation, the Expiry Date of any vested or unvested RSUs held by the Participant at the date of his or her termination due to Total Disability, which have not yet been subject to an Exercise Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of his or her termination due to Total Disability, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of his or her termination due to Total Disability, the Expiry Date shall be up to one (1) year after the date of his or her termination due to Total Disability as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the RSUs held by a Participant at the date of his or her termination due to Total Disability which have not yet vested shall vest immediately upon the date of Total Disability.
- 4.8 Subject to Section 4.5 hereof, if a Participant ceases to be an Eligible Person (other than as provided in Section 4.6 or 4.7), the Expiry Date of any vested or unvested RSUs held by the Participant at the date such Participant ceased to be an Eligible Person, which have not yet been subject to an Exercise Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date such Participant ceased to be an Eligible Person, and (ii) the Expiry Date of such Award. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the RSUs held by a Participant on the date the Participant ceased to be an Eligible Person which have not yet vested shall: (a) vest immediately upon such date or (b) be deemed forfeited to the Corporation.

## **Tax Matters and Applicable Withholding Tax**

- 4.9 The Corporation does not assume any responsibility for or in respect of the tax consequences of the grant to Participants of RSUs, or payments received by Participants pursuant to this Plan. The Corporation or relevant Related Entity, as applicable, is authorized to deduct any Applicable Withholding Tax, in such manner (including, without limitation, by selling Shares otherwise issuable to Participants, on such terms as the Corporation determines or the withholding by the Corporation from any cash payment otherwise due to the Participant) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Corporation or relevant Related Entity, as applicable, may require Participants, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Corporation or Related Entity, as applicable, respecting the payment by such Participant's applicable income or other taxes.

## **PART 5 MISCELLANEOUS**

### **Compliance with Applicable Laws**

- 5.1 The issuance by the Corporation of any RSUs and its obligation to make any payments hereunder is subject to compliance with all Applicable Laws. As a condition of participating in this Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with such Applicable Laws. The Corporation will have no obligation under this Plan, or otherwise, to grant any RSU or make any payment under this Plan in violation of any applicable laws.

The Corporation intends that the Awards and payments provided for in this Plan either be exempt from Section 409A of the Code, or be provided in a manner that complies with Section 409A of the Code, and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section 5.1. In no event whatsoever shall the Corporation be liable for any additional tax, interest or penalty that may be imposed on the any person by Section 409A of the Code or damages for failing to comply with Section 409A. Notwithstanding anything contained herein to the contrary, all payments under this Plan to paid or provided at the time of a termination of employment or service will be paid at a termination of employment or service that constitutes a “separation from service” from the Corporation within the meaning of Section 409A of the Code and the regulations and guidance promulgated thereunder (determined after applying the presumptions set forth in Treas. Reg. Section 1.409A-1(h)(1)). Further, if at the time of a Participant’s termination of employment with the Corporation, the Participant is a “specified employee” as defined in Section 409A of the Code as determined by the Corporation in accordance with Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Corporation will defer the payment hereunder until the date that is at least six (6) months following the Participant’s termination of employment with the Corporation (or the earliest date permitted under Section 409A of the Code).

### **Non-Transferability**

- 5.2 RSUs and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions hereof.

### **No Right to Service**

- 5.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Participant a right to be retained in the service or to continue in the employment of the Corporation or any Related Entity, or affect in any way the right of the Corporation or any Related Entity to terminate his or her employment at any time.

### **Applicable Trading Policies**

- 5.4 The Board and each Participant will ensure that all actions taken and decisions made by the Board or the Participant, as the case may be, pursuant to this Plan comply with any applicable securities laws and policies of the Corporation relating to insider trading or “blackout” periods.

### **Successors**

- 5.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person or Participants.

## **Plan Amendment**

5.6

- (a) The Board may amend this Plan in any way, or discontinue this Plan altogether, and may amend, in any way, any RSU granted under this Plan at any time without the consent of a Participant, provided that (i) such amendment shall not adversely alter or impair any RSU previously granted under the Plan or any related RSU Agreement, except as otherwise permitted hereunder (ii) all RSUs granted to U.S. Participants are intended to comply with the short-term deferral exception under Section 409A of the Code and the regulations and other interpretive guidance thereunder; and (iii) all RSUs granted to Canadian Employee Participants shall have terms and conditions necessary to ensure that such RSUs comply, at all times, with the requirements of paragraph (k) of the exception to the definition of “salary deferral arrangement” in subsection 248(1) of the Tax Act or are governed by the provisions of section 7 of the Tax Act. In addition, the Board may, by resolution, make any amendment to this Plan or any RSU granted under it (together with any related RSU Agreement) without shareholder approval.
- (b) Without limitation of Section 5.6(a), the Board may (i) correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent deemed necessary or desirable; (ii) establish, amend, and rescind any rules and regulations relating to this Plan; and (iii) may make such determinations as it deems necessary or desirable for the administration of this Plan.
- (c) On termination of this Plan, any outstanding awards of RSUs under this Plan shall immediately vest and the Award Value underlying the RSUs shall be paid to the Participants in accordance with and upon compliance with Section 4.1.

## **Plan Termination**

- 5.7 The Board may terminate this Plan at any time, but no termination will, without the consent of the Participant or unless required by law, adversely affect the rights of a Participant respect to RSUs to which the Participant is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of RSUs or the time at which a Participant would otherwise be entitled to receive any payment in respect of RSUs hereunder.

## **Governing Law**

- 5.8 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

## **Currency**

- 5.9 All amounts paid or values to be determined under this Plan shall be in Canadian dollars.

## **Reorganization of the Corporation**

- 5.10 Except in the case of a transaction that is a Change of Control and to which Section 5.1.1 applies, if the Corporation enters into any transaction or series of transactions whereby the Corporation or all or substantially all of the assets would become the property of any other trust, body corporate, partnership or other person (a “**Successor**”), whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor will execute such instruments and do such things as the Board or the Committee may determine are necessary to establish that upon the consummation of such transaction the Successor will assume the covenants and obligations of the Corporation under this Plan and the RSU Agreements outstanding on consummation of such transaction. Any such Successor shall succeed to, and be substituted for, and may exercise every right and power of the Corporation under this Plan and RSU Agreements with the same effect as though the Successor had been named as the Corporation herein and therein and thereafter, the Corporation shall be relieved of all obligations and covenants under this Plan and such RSU Agreements and the obligation of the Corporation to the Participants in respect of the RSUs shall terminate and be at an end and the Participants shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Shares upon

vesting of the RSUs. To the extent commercially reasonable, any such adjustment, substitution, or replacement in respect of a grant of RSUs to a Canadian Employee Participant as a result of a transaction or a series of transactions contemplated by this Section 5.10 shall be made in compliance with the provisions of subsection 7(1.4) of the Tax Act.

### **Change of Control**

- 5.11 Notwithstanding any other provision in this Plan but subject to any provision to the contrary contained in an RSU Agreement or other written agreement (such as an agreement of employment) between the Corporation and a Participant, if there takes place a Change of Control, all issued and outstanding RSUs shall vest (whether or not then vested) and the Vesting Date shall be the date which is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board or the Committee, in its absolute discretion, prior to the time such Change of Control takes place.

### **No Shareholder Rights**

- 5.12 RSUs are not considered to be Shares or securities of the Corporation, and a Participant who is granted RSUs will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Corporation, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Corporation, and will not be considered the owner of Shares by virtue of such issuance of RSUs.

### **Severability**

- 5.13 The invalidity or unenforceability of any provision of this document shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this document.

### **No Other Benefit**

- 5.14 No amount will be paid to, or in respect of, an Eligible Person under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Person for such purpose.
- 5.15 For greater certainty, the crediting of any Award to the notional accounts set out in this Plan for any Participant does not confer any entitlement, benefits, or any rights of a similar nature or otherwise, aside from the rights expressly set out in this Plan, and this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Participant to which RSUs are credited to his or her account or holding RSUs or related accruals under this Plan will have the status of a general unsecured creditor of the Corporation with respect to any relevant rights that may arise thereunder.

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**SCHEDULE "A"**  
**PSYENCE GROUP INC.**  
**RESTRICTED SHARE UNIT PLAN**  
**RESTRICTED SHARE UNIT NOTICE**

PSYENCE GROUP INC. (the "**Corporation**") hereby confirms the grant to the undersigned (the "**Participant**") of Restricted Share Units ("**Units**") described in the table below pursuant to the Corporation's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Participant.

Grant Date	No. of Units	Vesting	Expiry Date

Capitalized terms not specifically defined in this Notice have the respective meanings ascribed to them in the Plan.

The Participant may elect to have common shares in the capital of the Corporation as from time to time constituted (the "**Shares**") issued pursuant to the foregoing Units at any time and from time to time from and including the date Units vest through to 5:00 p.m. (Toronto) on the date that is ten (10) years from the Grant Date, by delivering to the Corporation the form of Exercise Notice attached as Schedule "B" hereto.

For Canadian Employee Participants, no Shares shall be issuable by the Corporation to the Participant in the event vesting does not occur prior to ten (10) years from the Grant Date, by delivering to the Corporation the form of Exercise Notice attached as Appendix "B" hereto.

For Participants other than Canadian Employee Participants, no Shares shall be issuable by the Corporation to the Participant in the event vesting does not occur prior to ten (10) years from the Grant Date.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

**PSYENCE GROUP INC.**

Per: \_\_\_\_\_  
 Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Corporation and the undersigned with respect to the Units granted or otherwise issued to it.

**[If the Units are being issued to a U.S. Participant, include the following additional Provisions:]**

The undersigned acknowledges and agrees that:

1. The Units and any Shares that may be issued in respect of vested Units pursuant to the Plan have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and will constitute "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act;
2. The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH

SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and the Shares were issued at a time when the Corporation is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and

3. The Corporation may be deemed to be an issuer that at a previous time has been an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “**Shell Corporation**”), and if the Corporation is deemed to have been a Shell Corporation at any time previously, Rule 144 under the U.S. Securities Act may not be available for resales of the Shares except in very limited circumstances, and the Corporation is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Shares.

4. If the undersigned is resident in the State of California on the effective date of the grant of the Units, then, in addition to the terms and conditions contained in the Plan and in this Notice, the undersigned acknowledges that the Corporation, as a reporting issuer under the securities legislation in certain Provinces of Canada, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “**Financial Statements**”). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Corporation’s profile at the following website address: [www.sedar.com](http://www.sedar.com). Copies of Financial Statements will be made available to the undersigned by the Corporation upon the undersigned’s request.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Participant’s Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name of Participant (print)

\_\_\_\_\_  
Address  
City, Province/State

**SCHEDULE “B”  
PSYENCE GROUP INC.  
RESTRICTED SHARE UNIT PLAN  
EXERCISE NOTICE**

**TO: PSYENCE GROUP INC. (the “Corporation”)**

1. The undersigned (the “**Participant**”), being the holder of vested Restricted Share Units to purchase \_\_\_\_\_ Shares, hereby irrevocably gives notice, pursuant to the Plan, of the request to issue to the Participant \_\_\_\_\_ Shares.
2. By executing this Exercise Notice, the Participant 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 Exercise Notice shall have the meanings given to them under the Plan or the attached Restricted Share Unit Notice.
3. The Participant is resident in \_\_\_\_\_ [name of country/province/state].
4. The Participant acknowledges that he/she must execute this Exercise Notice and deliver it to the Chief Financial Officer or Secretary of the Corporation at the registered office of the Corporation at least two (2) weeks before the Expiry Date of the vested Restricted Share Units.
5. The Participant hereby represents, warrants, acknowledges, and agrees that there may be material tax consequences to the Participant of a request for Shares pursuant to vested Restricted Share Units. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Participant under applicable, federal, local, or foreign tax law of the Participant’s acquisition or disposition of such securities.
6. The Participant hereby represents, warrants, acknowledges, and agrees that the certificate(s) representing the Shares may be subject to applicable hold periods and legending pursuant to applicable securities laws.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Participant’s Signature

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name of Participant (print)

\_\_\_\_\_  
Address  
City, Province/State

