EHAVE, INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
APRIL 29, 2019

EHAVE

203-277 Lakeshore Road East
Oakville, ON L6J 6J3

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Ehave, Inc. (the "**Corporation**") will be held at the offices of Garfinkle Biderman LLP, Dynamic Funds Tower, Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9, on Monday, April 29th, 2019 at 11:00 AM (Toronto time) for the following purposes:

1. to set the number of directors of the Corporation at three (3) persons;

2. to consider and, if thought advisable, with or without variation, to elect each of Binyomin Posen, Zeke Kaplan, and Prateek Dwivedi as directors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is duly elected or appointed, all as the case may be, unless the office is earlier vacated in accordance with the constating documents of the Corporation or the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**");

3. to consider and, if thought advisable, to pass, with or without variation, a special resolution of the Shareholders, the full text of which is set forth in Appendix "A" attached hereto (the "**Consolidation Resolution**"), authorizing the amendment of the Corporation's articles to consolidate the issued and outstanding common shares ("**Shares**") of the Corporation, in up to three consecutive share consolidations to occur at any time as determined by the board of directors of the Corporation (the "**Board**"), within one calendar year of the date of the Meeting, provided that the first consolidation, the second consolidation, and the third consolidation (collectively, the "**Consolidation**") shall collectively effect a consolidation on a basis of between (i) two pre-consolidation Shares ("**Pre-Consolidation Shares**") to one post-consolidation Share ("**Post-Consolidation Share**"), and (ii) 200 Pre-Consolidation Shares to one Post-Consolidation Share;

4. to consider and, if thought advisable, to pass, with or without variation, a special resolution of the Shareholders, the full text of which is set forth in Appendix "C" attached hereto (the "**Asset Sale Resolution**"), to approve the sale of all or substantially all of the property of the Corporation (the "**Asset Sale**"), in accordance with the applicable provisions of the OBCA and with the asset purchase agreement entered among the Corporation and ZYUS Life Sciences Inc. ("**ZYUS**") dated March 22, 2019 (the "**Asset Purchase Agreement**"); and

5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

INFORMATION ABOUT THE MEETING

Record Date for Notice and Voting. In accordance with section 95(3) of the OBCA, the Board has not fixed a record date, and therefore the close of business on the day immediately preceding the date of this notice is the record date for the determination of Shareholders entitled to notice of and to vote at the Meeting, and any adjournment or postponement thereof.

Shareholders Entitled to Vote. Each Shareholder is entitled to one vote on all matters to be conducted at the Meeting for each Share held by such Shareholder.

Proxies. A Shareholder who is unable to attend the Meeting in person is entitled to appoint a proxy holder, or one or more alternate proxy holders, who need not be Shareholders, to attend and act as their representative at the Meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A form of proxy is enclosed herewith. Any such proxy appointment shall be made in writing,

executed by the Shareholder and shall comply with the requirements of the OBCA. A Shareholder wishing to appoint a proxy holder is required to deposit a valid and legal form of proxy with the Corporation's solicitors, Garfinkle Biderman LLP, c/o Grant Duthie, at Dynamic Funds Tower, Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9 or by e-mail to gduthie@garfinke.com not later than 48 hours before the time of the holding of the Meeting or any adjourned or postponed Meeting, or delivered to the Chairman on the day of the Meeting or any adjournment or postponement thereof.

Quorum. The quorum for the transaction of business at the Meeting is the presence of any two persons entitled to vote at the Meeting, which includes any Shareholder or, if represented by proxy, a Shareholder's duly appointed representative.

Resolutions Required. In order for the Consolidation Resolution and the Asset Sale Resolution to be approved at the Meeting, they must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote on such resolutions.

Shares Outstanding. As at the date of this notice, as recorded on the share registers of the Corporation, there are 2,541,383,906 Shares issued and outstanding, entitling the holders thereof to an aggregate of 2,541,383,906 votes at the Meeting.

Proposed Consolidation. At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve with or without amendment the Consolidation Resolution approving the Consolidation. A copy of the Consolidation Resolution referred to in item 3 above is attached as Appendix "A" hereto. An explanation of the proposed Consolidation is attached as Appendix "B" hereto.

Proposed Asset Sale. At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve with or without amendment the Asset Sale Resolution approving the Asset Sale. A copy of the Asset Sale Resolution referred to in item 4 above is attached as Appendix "C" hereto. An explanation of the proposed Asset Sale is attached as Appendix "D" hereto.

Dissent Rights. Pursuant to Section 185 of the OBCA, Shareholders are entitled to exercise rights of dissent in respect of the Asset Sale Resolution and to be paid fair value for their Shares. Shareholders wishing to dissent with respect to the Asset Sale Resolution must send a written objection to the Corporation, addressed to the Chief Executive Officer of the Corporation, sent to Dynamic Funds Tower, Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9, at or prior to the time of the Meeting in order to be effective. Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of any right of dissent. The rights of dissent are described in detail in Appendix "E" hereto.

Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered shareholders are entitled to dissent. Accordingly, a beneficial owner of shares of the Corporation desiring to exercise this right must make arrangements for the Shares beneficially owned by such person to be registered in his, her or its name prior to the time the written objection to the Asset Sale Resolution to approve the Asset Sale is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of his, her or its shares to dissent on his, her or its behalf.

DATED at Toronto, Ontario, April 16, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Prateek Dwivedi"

Prateek Dwivedi
Chief Executive Officer

APPENDIX "A"

CONSOLIDATION RESOLUTION

The Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, the Consolidation Resolution, the full text of which is set forth below. In order for the Consolidation Resolution to be approved at the Meeting, the Consolidation Resolution must be approved by at least two thirds of the votes cast by Shareholders at the Meeting, whether represented in person or by proxy:

"BE IT RESOLVED as a special resolution that:

1. the Corporation is authorized to file up to three articles of amendment to consolidate (the "**Consolidation**") the issued and outstanding common shares ("**Common Shares**") of the Corporation, on up to three separate occasions, on the basis of, in the aggregate, not less than one new Common Share for every two existing Common Shares of the Corporation ("**Initial Shares**"), or for such other greater whole or fractional number of Initial Shares up to a maximum of one new Common Share for every 200 Initial Shares, that the directors, in their sole discretion, determine to be appropriate, and in the event that the Consolidation would otherwise result in a holder of Common Shares of the Corporation holding a fraction of a Common Share, such holder shall not receive any whole new Common Shares for each such fraction, such amendment to become effective at a date in the future to be determined by the directors, when it is considered to be in the best interests of the Corporation to implement such Consolidation; and
2. any director or officer of the Corporation is authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver or cause to be delivered articles of amendment to the Registrar under the *Business Corporations Act* (Ontario), on up to three separate occasions, to effect the Consolidation."

APPENDIX "B"

CONSOLIDATION SUMMARY

Shareholder Approval of Consolidation

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the Consolidation Resolution. In order to be effective, the Consolidation Resolution must be approved by two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote on the Consolidation Resolution.

Unless otherwise directed, it is management's intention to vote IN FAVOUR of the Consolidation Resolution. If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting IN FAVOUR of the Consolidation Resolution.

Reasons for the Consolidation

The Board believes that it is in the best interest of the Shareholders to effect up to three consolidations, collectively on up to a 200:1 basis. For illustrative purposes only, if the Consolidation is approved, in the aggregate, on the minimum 2:1 basis there will be approximately 1,270,691,953 Shares outstanding on a post-Consolidation basis, as contrasted with approximately 12,706,920 Shares outstanding on a post-Consolidation basis if the Consolidation is approved, in the aggregate, on the maximum 200:1 basis.

Approval of this proposal by the Shareholders would give the Board authority to implement the Consolidation to occur at any time, on up to three separate occasions, as determined by the Board within one calendar year of the date of the Meeting. In addition, notwithstanding approval of this proposal by the Shareholders, the Board may, in its sole discretion, determine not to effect, and abandon, the Consolidation, without further action by the Shareholders.

The Board believes that Shareholder approval of a range for the exchange ratio of the Consolidation (as contrasted with approval of a specified ratio of the Consolidation), provides the Board with maximum flexibility to achieve the purposes of a consolidation, and, therefore, is in the best interests of the Shareholders. The actual ratio for implementation of the Consolidation will be determined by the Board based upon its evaluation as to what ratio of Post-Consolidation Shares to Pre-Consolidation Shares would be most advantageous to the Shareholders.

The Board also believe that Shareholder approval of a time range for the carrying out of the Consolidation, on up to three separate occasions (as contrasted with approval of a specified time of the Consolidation), provides the Board with maximum flexibility to achieve the purposes of a consolidation, and, therefore, is in the best interests of the Shareholders. The actual timing for implementation of the Consolidation, on up to three separate occasions, would be determined by the Board based upon its evaluation as to when and whether such action would be most advantageous to the Shareholders.

The Board also believe that Shareholder approval of the occurrence of the Consolidation on up to three separate occasions (as contrasted with approval of the occurrence of the Consolidation on a single occurence), provides the Board with maximum flexibility to achieve the purposes of a consolidation, and, therefore, is in the best interests of the Shareholders. The actual ratio and timing of each of the occurrences of the Consolidation would be determined by the Board based upon its evaluation as to when and whether such action would be most advantageous to the Shareholders.

The Board unanimously recommends that the Shareholders vote in favour of the Consolidation Resolution.

APPENDIX “C”

ASSET SALE RESOLUTION

The Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, the Asset Sale Resolution, the full text of which is set forth below. In order for the Asset Sale Resolution to be approved at the Meeting, the Asset Sale Resolution must be approved by at least two thirds of the votes cast by Shareholders at the Meeting, whether represented in person or by proxy:

“BE IT RESOLVED as a special resolution that:

1. pursuant to Section 184(3) of the *Business Corporations Act* (Ontario), the sale of all or substantially all of the assets of the Corporation on the terms, conditions and provisions as substantially described in the notice of meeting of the Corporation dated April 16 be and hereby is authorized;
2. any one director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to execute, under corporate seal or otherwise, deliver and file all agreements, documents and instruments and take such actions that, in the opinion of such director or officer of the Corporation, may be necessary or desirable in order to fulfill the intent of this special resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such agreements, documents or instruments and the taking of any such actions; and
3. the directors of the Corporation are hereby authorized and empowered to not proceed with the sale of the assets of the Corporation without further notice to, or approval of, the shareholders of the Corporation."

APPENDIX "D"

ASSET SALE SUMMARY

Shareholder Approval of Transaction

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, the Asset Sale Resolution. In order to be effective, the Asset Sale Resolution must be approved by two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote on the Asset Sale Resolution.

Unless otherwise directed, it is management's intention to vote IN FAVOUR of the Asset Sale Resolution. If you do not specify how you want your shares voted, the persons named as proxyholders will cast the votes represented by your proxy at the Meeting IN FAVOUR of the Asset Sale Resolution.

Background to the Asset Sale

The Corporation entered into negotiations with ZYUS in the first quarter of 2019 to sell to ZYUS all or substantially all of the assets of the Corporation in exchange for cash and securities of ZYUS. On March 22, 2019, the Corporation and ZYUS entered into the Asset Purchase Agreement. Upon completion of the Asset Sale, the Corporation would own approximately 361,011 common shares of ZYUS ("**ZYUS Shares**").

Approval of this proposal by the Shareholders would give the Board authority to complete the Asset Sale. The Board believes that the consideration which the Corporation would receive form the Asset Sale provides Shareholder an appropriate return on investment, and, therefore, is in the best interests of the Shareholders.

Summary of the Asset Purchase Agreement

All summaries of and references to the Asset Purchase Agreement, including the summary set out below, are qualified in their entirety by the complete text of the Asset Purchase Agreement. A copy of the Asset Purchase Agreement may be obtained upon request from the Corporation's solicitors, Garfinkle Biderman LLP, c/o Grant Duthie, at Dynamic Funds Tower, Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9 or by e-mail to gduthie@garfinke.com. Shareholders are urged to carefully read the summary of the Asset Purchase Agreement contained herein.

Assets to be Sold

Pursuant to the Asset Purchase Agreement, ZYUS has agreed to purchase from the Corporation all of the Corporation's property and assets relating to technology stack, data models, UI flows, APIs and all existing builds to the "Ehave Connect" platform, which includes but is not limited to the input, tracking and extraction of clinical data and the "Ehave Cannipro" patient outcome reporting app (for IOS and Android), but excludes the MedReleaf Relief IQ patient outcome reporting app (for IOS and Android), certain clinical games, all clinical patient data, all training sets, and the Corporation's office lease and related personal property, as further specified in the schedules to the Asset Purchase Agreement (collectively, the "**Purchased Assets**").

Excluded Liabilities

Pursuant to the Asset Purchase Agreement, the Corporation will assume and continue to responsible for certain obligations following the time of the completion of the Asset Sale ("**Closing**") as further specified in the Asset Purchase Agreement, including liabilities: (i) relating to taxes payable, collectible or remittable by the Corporation, (ii) owing to a lender or creditor of the Corporation, (iii) relating to products or services of

the Corporation prior to Closing, (iv) relating to any of the excluded assets as set out in the Asset Purchase Agreement, and (iv) under certain employee plans and contracts (collectively, the "**Excluded Liabilities**").

Purchase Price

The aggregate consideration for the Purchased Assets shall be satisfied by: (i) the payment of CAD $1,200,000 less CAD $260,000 (the "**Deposit**"), and (ii) 361,011 ZYUS Shares (each with a value of CAD $5.54 per common share) (the "**Consideration**"). The Consideration shall be delivered to the Corporation on Closing, but for the Deposit, which has already been provided by ZYUS to the Corporation pursuant to the non-binding term sheet dated January 24, 2019.

Representations, Warranties and Covenants

The Asset Purchase Agreement is subject to customary representations and warranties by the Corporation including, among other things: (i) organization and good standing, (ii) authority and approval, (iii) title to the Purchased Assets, (iv) governmental filings, (v) litigation and compliance with laws, and (vi) characteristics of certain intellectual property and information technology. ZYUS has made representations and warranties including, among other things, its organization and good standing and its authority and approval.

Conditions to Closing

The Corporation's obligation to consummate the Asset Sale is subject to the following provisions (any or all of which may be waived by the Corporation):

- the representations and warranties of ZYUS shall be true and correct in all materials respects;
- ZYUS shall have duly performed and complied with the covenants and conditions in the Asset Purchase Agreement;
- all corporate proceedings required by ZYUS for Asset Sale shall be satisfactory to the Corporation;
- certain permits required from governmental authorities to effect the Asset Sale were obtained; and
- no injunctions or restraining orders relating to the Asset Sale shall be issued or outstanding against any party.

The completion of the Asset Sale is subject to the following conditions in favour of ZYUS (any or all of which may be waived by ZYUS):

- the representations and warranties of the Corporation shall be true and correct in all materials respects;
- the Corporation shall have duly performed and complied with the covenants and conditions in the Asset Purchase Agreement;
- all corporate proceedings required by the Corporation for Asset Sale shall be satisfactory to ZYUS;
- approvals from all specified commercial partners and creditors of the Corporation have been obtained;
- no injunctions or restraining orders relating to the Asset Sale shall be issued or outstanding against any party; and
- ZYUS shall be satisfied with the results of certain investigations relating to the Corporation and the Purchased Assets.

Survival and Indemnification

The representations and warranties of the Corporation shall terminate upon the expiration of 24 months after Closing, except that:

- certain representations and warranties relating to the due incorporation and organization and the valid existence of the Corporation, to the title to and encumbrances relating to the Purchased Assets and to the replication of intellectual property and enforcement of confidentiality obligations shall survive forever; and
- certain representations and warranties relating to the books and records of the Corporation continue in full force and effect until the 180th day following the expiration of the period during which liability for taxes could be issued to the Corporation.

The Corporation shall indemnify, defend and hold harmless ZYUS from, against and in respect of all losses sustained by reason of:

- any breach of any representation or warranty made by the Corporation in the Asset Purchase Agreement or in any document delivered pursuant to the Asset Purchase Agreement;
- to the extent not performed or waived prior to Closing any breach or of any obligation contained in the Asset Purchase Agreement or in any document delivered pursuant to the Asset Purchase Agreement;
- the operations of “Ehave Connect” platform or ownership of the Purchased Assets;
- any of the Excluded Liabilities; and
- any claim to which the Corporation is a party at any time on or prior to the Closing, or to which it becomes a party after the Closing arising from the fact or circumstances that existed at any time on or prior to the Closing.

The representations and warranties of ZYUS shall terminate upon the expiration of 24 months after Closing, except that:

- certain representations and warranties relating to the due incorporation and organization and the valid existence of ZYUS and to the enforcement of obligations under the Asset Purchase Agreement shall survive forever.

ZYUS shall indemnify, defend and hold harmless the Corporation from, against and in respect of all losses sustained by reason of:

- any breach of any representation or warranty made by ZYUS in the Asset Purchase Agreement or in any document delivered pursuant to the Asset Purchase Agreement;
- to the extent not performed or waived prior to Closing any breach or of any obligation contained in the Asset Purchase Agreement or in any document delivered pursuant to the Asset Purchase Agreement; and
- any claim to which ZYUS is a party at any time on or prior to the Closing, or to which it becomes a party after the Closing arising from the fact or circumstances that existed at any time on or prior to the Closing.

Termination

The Asset Purchase Agreement may be terminated at any time prior to Closing by:

- the mutual written consent of the Corporation and ZYUS; or
- by either party, if:
- certain specified conditions required for Closing have not been met by the other party, or if it becomes impossible for the other party to comply with its obligations under the Asset Purchase Agreement; or
- such party is not in material breach of the Asset Purchase Agreement, and Closing has not occurred on or before July 21, 2019.

Required Approvals

The Asset Sale constitutes the sale of all or substantially all of the assets of the Corporation and, accordingly, under Section 184(3) of the OBCA, in order to be passed, the Asset Sale Resolution must be approved by at least 66 ⅔% of the votes cast by the shareholders, voting together as a single class at the Meeting, either in person or by proxy.

Voting Agreements

Certain Shareholders which collectively own 68.8% of the Shares have entered into voting support agreements ("**Voting Agreements**") with the Corporation, whereby each such Shareholder has agreed to vote all shares held by it in favour of each of the resolutions described herein at the Meeting, including the Asset Sale Resolution.

The Voting Agreement will terminate on the earlier of: (i) on the earlier of six months following the date of the execution of each respective Voting Agreement, and (ii) the close of business on the date of the Meeting.

All summaries of and references to the Voting Agreements are qualified in their entirety by the complete text of the Voting Agreements. A copy of the Voting Agreements may be obtained upon request from the Corporation's solicitors, Garfinkle Biderman LLP, c/o Grant Duthie, at Dynamic Funds Tower, Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9 or by e-mail to gduthie@garfinke.com.

Structure of the Corporation Immediately After Completion of the Transaction

Completion of the Asset Sale represents the sale of substantially all of the assets of the Corporation. Subsequent to Closing, the Corporation's assets will include cash, ZYUS Shares, accounts receivable, an office lease, office furniture and furnishings, computers and peripheral equipment, certain intellectual property, and other assets not subject to the Asset Sale.

Pursuant to certain conditions contained in the Asset Purchase Agreement, certain employees of the Corporation may join ZYUS following the Asset Sale and no longer be employed by the Corporation.

Dissent Rights

If you are a Shareholder, you are entitled to dissent from the Asset Sale Resolution in the manner provided in section 185 of the OBCA.

A copy of section 185 of the OBCA is attached as Appendix "E" to this notice. It is recommended that any shareholder wishing to exercise its dissent rights seek legal advice as the failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the dissent rights.

The Board unanimously recommends that the Shareholders vote in favour of the Asset Sale Resolution.

APPENDIX "E"

SECTION 185 OF THE OBCA

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out "or" at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).