

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

---

**FORM 8-K**

---

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

**Date of Report (Date of earliest event reported): December 27, 2018**

---

**CytoDyn Inc.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-49908**  
(SEC  
File Number)

**83-1887078**  
(I.R.S. Employer  
Identification No.)

**1111 Main Street, Suite 660**  
**Vancouver, Washington**  
(Address of principal executive offices)

**98660**  
(Zip Code)

**Registrant's telephone number, including area code: (360) 980-8524**

---

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

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

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

Emerging growth company

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

---

---

---

**Item 1.01**

The information in Item 2.03 regarding the Subscription Agreements (as defined below) is incorporated herein by reference.

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

On December 28, 2018, CytoDyn Inc. (the “Company”) issued \$1.5 million in aggregate principal amount of unsecured convertible promissory notes (the “Notes”) and related warrants (the “Warrants”) to purchase common stock of the Company (the “Common Stock”) in a private placement to various accredited investors, pursuant to subscription agreements entered into with each (collectively, the “Subscription Agreements”), in exchange for cash in an equal amount. The proceeds are anticipated to be used for general working capital and to fund clinical trials.

The Notes are the general unsecured obligations of the Company and rank *pari passu* with all other creditors of the Company. The principal amount of the Notes, including any accrued but unpaid interest thereon, is convertible at the election of the holders into shares of Common Stock at any time prior to maturity at an initial conversion price of \$0.50 per share. The Notes bear simple interest at an annual rate of 10.0% and mature on September 28, 2019. The Notes include events of default for nonpayment of principal or interest when due, upon which the payment of principal and interest may be accelerated. Prepayment by the Company is permitted without penalty upon 10 days prior written notice to investors.

The Subscription Agreements contain certain “piggyback” registration rights relating to resales of shares of Common Stock underlying the Notes and the Warrants.

Conversion rights under the Notes and the terms of the related Warrants are described under Item 3.02, which information is incorporated herein by reference.

**Item 3.02. Unregistered Sales of Equity Securities.***Convertible Notes Issuance*

On December 28, 2018, the Company sold \$1.5 million in aggregate principal amount of Notes and related Warrants to various accredited investors. The principal amount of the Notes plus unpaid accrued interest is convertible at the election of the holders into shares of Common Stock at any time prior to maturity at an initial conversion price of \$0.50 per share, with an aggregate of 3,000,000 shares of the Company’s Common Stock underlying the Notes issued on December 28, 2018. Additional terms of the Notes and the offering thereof are described under Item 2.03 above, which information is incorporated herein by reference.

As part of the investment in the Notes, the Company also issued Warrants exercisable for 50% of the shares into which the Notes are convertible, with Warrants for an aggregate of 1,500,000 shares of Common Stock issued on December 28, 2018. The Warrants are exercisable at a price of \$0.30 per share. The Warrants are currently exercisable in full and will expire five years from the date of issuance.

As a result of the issuance of the Notes, pursuant to the terms of the Placement Agent Agreement, dated July 26, 2018, entered into in connection with a recently completed private securities offering, the placement agent in that offering earned a “tail fee” comprising warrants exercisable for 300,000 shares of Common Stock (the “Placement Agent Warrants”) and a cash fee of \$180,000. The Placement Agent Warrants are exercisable at a price of \$0.50 per share and will expire five years from the date of issuance. The Placement Agent Warrants provide for cashless exercise.

Each of the Notes investors has represented to the Company that it is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”). The Company relied on the exemption from registration afforded by Section 4(a)(2) of the Securities Act in connection with the issuance of the Notes, the Warrants and the Placement Agent Warrants.

---

The descriptions contained herein of the Notes, the Warrants, the Subscription Agreement, the Placement Agent Warrants and the offering thereof is qualified in its entirety by reference to the full text of the Notes, the Warrants the Subscription Agreements and the Placement Agent Warrants, the forms of each of which are attached as Exhibits 4.1, 4.2, 4.3 and 10.1 and are incorporated herein by reference.

*Conversion of Prior Notes*

On December 27, 2018, the Company received a redemption notice from the holder of the Company's convertible note issued on June 26, 2018 requesting the redemption of \$100,000 of the outstanding balance thereof. In satisfaction of the redemption notice, the Company issued 255,532 shares of Common Stock to the note holder in accordance with the terms of the convertible note. Following the redemption, the outstanding balance of the convertible note, including accrued but unpaid interest, was approximately \$5.9 million.

**Item 9.01. Financial Statements and Exhibits.**

<b>Exhibit</b>	<b>Description.</b>
<b>(d) No.</b>	
4.1	<a href="#"><u>Form of Convertible Promissory Note.</u></a>
4.2	<a href="#"><u>Form of Warrant to Purchase Common Stock.</u></a>
4.3	<a href="#"><u>Form of Placement Agent Warrant (incorporated by reference to Exhibit 4.11 of the Registrant's Annual Report on Form 10-K filed with the SEC on July 27, 2018).</u></a>
10.1	<a href="#"><u>Form of Subscription Agreement.</u></a>

---

**SIGNATURES**

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

CytoDyn Inc.

January 3, 2019

By: /s/ Michael D. Mulholland

Name: Michael D. Mulholland

Title: Chief Financial Officer

THIS CONVERTIBLE PROMISSORY NOTE AND THE SECURITIES TO BE DELIVERED HEREUNDER AND UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAW OF ANY STATE OR OTHER JURISDICTION. NO SALE, ASSIGNMENT, TRANSFER FOR VALUE, PLEDGE OR OTHER ENCUMBRANCE OF EITHER THIS CONVERTIBLE PROMISSORY NOTE OR ANY SUCH SECURITIES MAY BE MADE UNLESS (1) SUCH TRANSACTION IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE ACT AND THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OR (2) THE MAKER IS PROVIDED WITH AN OPINION OF COUNSEL, SATISFACTORY TO THE MAKER, STATING THAT SUCH TRANSACTION IS IN COMPLIANCE WITH EXEMPTIONS FROM REGISTRATION UNDER SUCH ACT AND SUCH OTHER APPLICABLE LAWS. NO TRANSFER OF ANY INTEREST IN THIS CONVERTIBLE PROMISSORY NOTE OR ANY SUCH SECURITIES MAY BE EFFECTED WITHOUT FIRST SURRENDERING THIS CONVERTIBLE PROMISSORY NOTE OR SUCH SECURITIES, AS THE CASE MAY BE, TO THE COMPANY OR ITS TRANSFER AGENT, IF ANY.

**CONVERTIBLE PROMISSORY NOTE**

Amount \$ \_\_\_\_\_ .00 \_\_\_\_\_, 201\_

FOR VALUE RECEIVED, CYTODYN INC., a Delaware corporation ("Maker"), hereby promises to pay to \_\_\_\_\_ ("Holder") the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_ .00), together with interest thereon at a fixed simple interest rate of ten percent (10%) per annum.

Principal and accrued interest on this Promissory Note, to the extent not previously paid in cash or converted as described below, shall be due and payable in cash in a single payment on \_\_\_\_\_, 2019, which is nine (9) months from the date hereof (the "Due Date"). Interest shall be paid in cash in arrears upon the Due Date or in the form of stock determined by the Conversion Price.

In connection with this Promissory Note, Holder will be issued, at no additional cost to Holder, a warrant (the "Note Warrant") to purchase \_\_\_\_\_ (\_\_\_\_\_) shares of the Maker's common stock (the "Shares") at an exercise price of \$0.30 per Share (the "Exercise Price"), in substantially the form attached hereto as Exhibit A. The Note Warrant will be exercisable at the option of the Holder at any time after \_\_\_\_\_, 201\_ (the "Effective Date"), but not later than five (5) years after the Effective Date.

All or any portion of principal and any related accrued but unpaid interest hereunder may be converted (each, a "Conversion") by Holder at any time prior to the Due Date into a number of Shares determined by dividing the converted principal amount and related accrued but unpaid interest by the conversion price of \$0.50 per Share (the "Conversion Price"), with the resulting number of Shares to be issued, rounded down to the nearest whole Share, being referred to as the "Conversion Share Number." No Conversion hereunder shall be effective unless written notice of the Conversion is given by Holder at least five (5) days prior to such Conversion, in substantially the form attached hereto as Exhibit B.

---

If the Maker is recapitalized through the subdivision or combination of its outstanding shares of common stock into a larger or smaller number of shares, the Conversion Price shall be adjusted as of the record date for such recapitalization so that the Conversion Share Number shall be increased or reduced in the same proportion as the increase or decrease in the outstanding shares of common stock in such recapitalization.

The Maker shall not issue any fractional Shares upon Conversion by Holder of any principal and related accrued but unpaid interest hereunder or upon the exercise of the Warrants. With respect to any fraction of a Share resulting from such Conversion or exercise, the Maker shall issue to Holder a number of Shares rounded down to the nearest whole Share.

Default in the payment of the principal of or interest on this Promissory Note when the same becomes due and payable shall, upon written notice by the Holder to the Maker, constitute an event of default hereunder. Upon the occurrence of an event of default, or at any time thereafter during the continuance of any such event, the Holder may, with or without notice to the Maker, declare this Promissory Note to be forthwith due and payable, whereupon this Promissory Note and the indebtedness evidenced hereby shall forthwith be due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in any other instrument executed in connection with or securing this Note to the contrary notwithstanding. If the Due Date of this Promissory Note is accelerated as provided above, the Holder may convert the principal portion of this Promissory Note into Shares at any time prior to the payment of such principal amount.

If the Maker sells all or substantially all of its assets to a third party, merges, or consolidates with another entity, or engages in any other transaction with a third party requiring approval of the shareholders of the Maker, Maker shall give prompt notice to the Holder, and Holder may immediately convert the principal amount of this Promissory Note into Shares at any time prior to the consummation of such transaction.

If this Promissory Note or any interest hereon becomes due and payable on Saturday, Sunday or other day on which commercial banks are authorized or permitted to close under the laws of the State of New York, the maturity of this Promissory Note or such installment shall be extended to the next succeeding business day.

Maker may elect to prepay without penalty, on or before the Due Date, the aggregate outstanding principal balance of this Promissory Note, all or any portion of the outstanding principal balance under this Promissory Note, together with accrued but unpaid interest, by wire transfer or other cash equivalent acceptable to Maker; provided, however, for any such prepayment, Maker must first give Holder at least ten (10) days prior notice of such prepayment and, during such time, Holder may elect in writing to effect a Conversion of all or a portion of such principal balance, together with any accrued but unpaid interest so desired to be prepaid by Maker, into Shares as provided herein.

This Promissory Note and the Securities to be issued in connection herewith and upon Conversion hereof may not be offered, sold or otherwise disposed of except under circumstances which will not result in a violation of the Securities Act of 1933, as amended (the "Securities Act").

---

Upon Conversion of this Promissory Note, the Holder hereof will be required to confirm in writing, by executing the form attached as Schedule 1 to Exhibit B hereto, that the Shares so purchased are being acquired for investment and not with a view toward distribution or resale. This Promissory Note and all Shares issued upon Conversion hereof or upon the exercise of the Warrants (unless registered under the Securities Act) shall be stamped or imprinted with a legend in substantially the following form:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SHARES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED FOR VALUE, PLEDGED, HYPOTHECATED, OR OTHERWISE ENCUMBERED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF THEM UNDER THE SECURITIES ACT OF 1933 AND THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, OR AN APPLICABLE EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SECURITIES LAWS.”

With respect to any offer, sale or other disposition of this Promissory Note or any Securities to be issued in connection herewith or upon Conversion hereof prior to registration of such Promissory Note or Securities, the Holder hereof and each subsequent Holder of this Promissory Note will be required to give written notice to the Maker prior thereto, describing briefly the manner thereof, together with a written opinion of such Holder’s counsel reasonably acceptable to the Maker’s counsel, if such opinion is reasonably requested by the Maker, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Securities Act as then in effect and the applicable securities laws of any state or other jurisdiction as then in effect) of this Promissory Note or such Securities and indicating whether or not under the Securities Act and the applicable securities laws of any state or other jurisdiction this Promissory Note or certificates for such Securities to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with applicable law. Promptly upon receiving such written notice and reasonably satisfactory opinion, if so requested, the Maker, as promptly as practicable, shall notify such Holder that such Holder may sell or otherwise dispose of this Promissory Note or such Securities, all in accordance with the terms of the notice delivered to the Maker. If a determination has been made pursuant to this paragraph that the opinion of counsel for the Holder is not reasonably satisfactory to the Maker, the Maker shall so notify the Holder promptly after such determination has been made and neither this Promissory Note nor any Securities shall be sold or otherwise disposed of until such disagreement has been resolved. The foregoing notwithstanding, this Promissory Note or such Securities may as to such federal laws, be offered, sold or otherwise disposed of in accordance with Rule 144 under the Securities Act, provided that the Maker shall have been furnished with such information as the Maker may reasonably request to provide a reasonable assurance that the provisions of Rule 144 have been satisfied. This Promissory Note and each certificate representing the Securities thus transferred (except a transfer pursuant to Rule 144) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid

---

opinion of counsel for the Holder, reasonably acceptable to the Maker, such legend is not required in order to ensure compliance with such laws. The Maker may issue stop transfer instructions to its transfer agent or, if acting as its own transfer agent, the Maker may stop transfer on its corporate books, in connection with such restrictions.

Any provision of this Promissory Note that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

This Promissory Note is not transferable or assignable by the Maker without the consent of the Holder. This Promissory Note is not transferable or assignable by the Holder without the consent of the Maker. If this Promissory Note is collected by law or through an attorney at law, or under advice therefrom, the Maker agrees to pay all costs of collection, including reasonable attorneys' fees. Reasonable attorneys' fees are defined to include, but not be limited to, all fees incurred in all matters of collection and enforcement, trial proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or creditors' reorganization or similar proceedings and any post judgment collection efforts.

Any failure to exercise any right, remedy or recourse hereunder shall not be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by the Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed by applicable law, as amended from time to time, and in the event any such payment is paid by the Maker or received by the Holder, then such excess sum shall be credited as a payment of principal, unless the Maker shall notify the Holder, in writing, that the Maker elects to have such excess sum returned to the Maker forthwith.

The Maker hereby waives all and every exemption secured to it by the laws and constitution of the State of New York, and of any other state. The Maker hereby waives demand, presentment, protest, notice of nonpayment or dishonor, and any other notice required by law and agrees that its obligation hereunder shall not be affected by any renewal or extension of the time of payment hereof, or by any indulgences.

This Promissory Note shall be governed by and construed in accordance with the laws of the State of New York applicable to debts and obligations incurred and to be paid solely in such jurisdiction. This Promissory Note may not be modified or amended and no provision hereof may be waived except by a written instrument executed by the parties to be bound thereby.



---

**CYTODYN INC.**

By: \_\_\_\_\_  
Name:  
Title:

---

**EXHIBIT "A"**

**FORM OF WARRANT**

---

**EXHIBIT "B"**

**NOTICE OF CONVERSION  
(please print)**

To: CYTODYN INC.

1. In accordance with that certain Convertible Promissory Note issued by CYTODYN INC. to \_\_\_\_\_ on \_\_\_\_\_, 201\_ (the "Promissory Note"), the undersigned hereby elects to convert \$ \_\_\_\_\_ of the principal amount of the Promissory Note, together with any related accrued but unpaid interest, into Shares.

2. Please issue a certificate or certificates representing the Shares in the name of the undersigned or in such other name or names as are specified below:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

3. The undersigned represents that the aforesaid Shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such Shares. In support thereof, the undersigned has executed an Investment Representation Statement attached hereto as Schedule 1.

4. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Promissory Note.

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

\_\_\_\_\_  
(Date)

Contact telephone: \_\_\_\_\_

Email: \_\_\_\_\_

---

**SCHEDULE 1**

**INVESTMENT REPRESENTATION STATEMENT**

Purchaser: \_\_\_\_\_  
Company: CYTODYN INC.  
Security: Convertible Promissory Note  
Amount: \$ \_\_\_\_\_ .00  
Date: \_\_\_\_\_, 201\_

In connection with the purchase of the above-listed securities (the "Shares") pursuant to that certain Convertible Promissory Note issued by CYTODYN INC. to \_\_\_\_\_ on \_\_\_\_\_, 201\_ (the "Promissory Note"), the undersigned (the "Purchaser") represents to the Maker as follows:

- (a) The Purchaser is aware of the Maker's business affairs and financial condition, and has acquired information about the Maker sufficient to reach an informed and knowledgeable decision to acquire the Shares. The Purchaser is acquiring the Shares for his own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the Securities Act. The Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.
- (b) The Purchaser further agrees that legends may be placed on the Shares restricting the transfer thereof, and that appropriate notations may be made in the Maker's stock books and stop transfer instructions placed with the transfer agent, each in a manner generally consistent with the foregoing.
- (c) The Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act ("Rule 144") which, in substance, permit limited public resale of "restricted securities" acquired by non-affiliates of the issuer thereof, directly or indirectly, from the issuer (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, if applicable, including, among other things, the availability of certain public information about the Maker and the resale occurring not less than six (6) months after the party has purchased and paid for the securities to be sold.
- (d) The Purchaser further understands that, at the time the Purchaser wishes to sell the Shares, there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Maker may not have filed all reports and other materials required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, other than Form 8-K reports, during the preceding 12 months, and that, in such event, because the Maker is a former "shell company" as contemplated under paragraph (i) of Rule 144, Rule 144 will not be available to the Purchaser.
- (e) The Purchaser further understands that, because the Maker is a former "shell company" as contemplated under paragraph (i) of Rule 144, regardless of the amount of time that the Purchaser holds the Shares, sales of the Shares may only be made under Rule 144 upon the

---

satisfaction of certain conditions, including that the Maker has filed with the United States Securities and Exchange Commission (the "SEC"), during the 12 months preceding the sale, all quarterly and annual reports required under the Securities Exchange Act of 1934, as amended; and that, accordingly, **any restrictive legends placed on the Securities cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of, the Securities Act, and "blanket" removals of any such restrictive legends will not be possible.**

- (f) The Purchaser further understands that in the event all of the requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A promulgated under the Securities Act, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the SEC has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Promissory Note.

Purchaser: \_\_\_\_\_

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

Warrant Number \_\_\_\_\_

THE WARRANT REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY NOT BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) SUCH TRANSACTION IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT AND THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OR (2) THE COMPANY IS PROVIDED WITH AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, STATING THAT SUCH TRANSACTION IS IN COMPLIANCE WITH EXEMPTIONS FROM THE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS. NO TRANSFER OF ANY INTEREST IN THIS WARRANT OR THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE EFFECTED WITHOUT FIRST SURRENDERING THIS WARRANT OR SUCH SECURITIES, AS THE CASE MAY BE, TO THE COMPANY OR ITS TRANSFER AGENT, IF ANY.

Warrant to Purchase  
Shares of  
Common Stock

As Herein Described

\_\_\_\_\_, 201\_

**WARRANT TO PURCHASE COMMON STOCK OF**

**CYTODYN INC.**

This is to certify that, for value received, \_\_\_\_\_, or a proper assignee (the "Holder"), is entitled to purchase up to \_\_\_\_\_ (\_\_\_\_\_) shares ("Warrant Shares") of common stock, \$0.001 par value per share (the "Common Stock"), of CytoDyn Inc., a Delaware corporation (the "Company"), subject to the provisions of this Warrant Number \_\_\_\_\_, from the Company. This Warrant shall be exercisable at thirty cents (\$0.30) per share (the "Exercise Price"). This Warrant also is subject to the following terms and conditions:

1. Exercise and Payment; Exchange.

(a) This Warrant may be exercised in whole or in part at any time from and after the date hereof (the "Commencement Date") through 5:00 p.m., Pacific time, on \_\_\_\_\_, 202\_ (the "Expiration Date"), at which time this Warrant shall expire and become void, but if such date is a day on which federal or state chartered banking institutions located in the State of New York are authorized to close, then on the next succeeding day which shall not be such a day. Exercise shall be by presentation and surrender to the Company, or at the office of

---

any transfer agent designated by the Company (the "Transfer Agent"), of (i) this Warrant, (ii) the attached exercise form properly executed, and (iii) a certified or official bank check for the Exercise Price for the number of Warrant Shares specified in the exercise form. If this Warrant is exercised in part only, the Company or the Transfer Agent shall, upon surrender of the Warrant, execute and deliver a new Warrant evidencing the rights of the Holder to purchase the remaining number of Warrant Shares purchasable hereunder. Upon receipt by the Company of this Warrant, the properly executed exercise form, and payment as aforesaid, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then be actually delivered to the Holder. Under no circumstance shall the Company be required to make any cash payments or net cash settlement to the Holder in lieu of delivery of the Warrant Shares.

(b) Conditions to Exercise or Exchange. The restrictions in Section 7 shall apply, to the extent applicable by their terms, to any exercise or exchange of this Warrant permitted by this Section 1.

2. Reservation of Shares. The Company shall, at all times until the expiration of this Warrant, reserve for issuance and delivery upon exercise of this Warrant the number of Warrant Shares which shall be required for issuance and delivery upon exercise of this Warrant.

3. Fractional Interests. The Company shall not issue any fractional shares or scrip representing fractional shares upon the exercise or exchange of this Warrant. With respect to any fraction of a share resulting from the exercise or exchange hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the current fair market value per share of Common Stock, determined as follows:

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such an exchange, the current fair market value shall be the last reported sale price of the Common Stock on such exchange on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the mean of the closing bid and asked prices for such day on such exchange;

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges on a national securities exchange, the current fair market value shall be the mean of the last bid and asked prices reported on the last business day prior to the date of the exercise of this Warrant by the OTC Markets Group, Inc.; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges on a national securities exchange and bid and asked prices are not so reported, the current fair market value shall be an amount, not less than book value, determined in such reasonable manner as may be prescribed by the Company in good faith.

4. No Rights as Shareholder. This Warrant shall not entitle the Holder to any rights as a shareholder of the Company, either at law or in equity. The rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

---

5. Adjustments in Number and Exercise Price of Warrant Shares.

5.1 The number of shares of Common Stock for which this Warrant may be exercised and the Exercise Price therefor shall be subject to adjustment as follows:

(a) If the Company is recapitalized through the subdivision or combination of its outstanding shares of Common Stock into a larger or smaller number of shares, the number of Warrant Shares may be exercised shall be increased or reduced, as of the record date for such recapitalization, in the same proportion as the increase or decrease in the outstanding shares of Common Stock, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all of the Warrant Shares issuable hereunder immediately after the record date for such recapitalization shall equal the aggregate amount so payable immediately before such record date.

(b) If the Company declares a dividend on Common Stock payable in Common Stock or securities convertible into Common Stock, the number of shares of Common Stock for which this Warrant may be exercised shall be increased as of the record date for determining which holders of Common Stock shall be entitled to receive such dividend, in proportion to the increase in the number of outstanding shares (and shares of Common Stock issuable upon conversion of all such securities convertible into Common Stock) of Common Stock as a result of such dividend, and the Exercise Price shall be adjusted so that the aggregate amount payable for the purchase of all the Warrant Shares issuable hereunder immediately after the record date for such dividend shall equal the aggregate amount so payable immediately before such record date.

(c) If the Company distributes to holders of its Common Stock, other than as part of its dissolution or liquidation or the winding up of its affairs, any evidence of indebtedness or any of its assets (other than cash, Common Stock or securities convertible into Common Stock), the Company shall give written notice to the Holder of any such distribution at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before the record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(d) If the Company offers rights or warrants to the holders of Common Stock which entitle them to subscribe to or purchase additional Common Stock or securities convertible into Common Stock, the Company shall give written notice of any such proposed offering to the Holder at least fifteen (15) days prior to the proposed record date in order to permit the Holder to exercise this Warrant on or before such record date. There shall be no adjustment in the number of shares of Common Stock for which this Warrant may be exercised, or in the Exercise Price, by virtue of any such distribution.

(e) If the event, as a result of which an adjustment is made under paragraph (a) or (b) above, does not occur, then any adjustments in the Exercise Price or number of shares issuable that were made in accordance with such paragraph (a) or (b) shall be adjusted to the Exercise Price and number of shares as were in effect immediately prior to the record date for such event.



---

5.2 In the event of any reorganization or reclassification of the outstanding shares of Common Stock (other than a change in par value or from no par value to par value, or from par value to no par value, or as a result of a subdivision or combination) or in the event of any consolidation or merger of the Company with another entity after which the Company is not the surviving entity, at any time prior to the expiration of this Warrant, upon subsequent exercise of this Warrant the Holder shall have the right to receive the same kind and number of shares of common stock and other securities, cash or other property as would have been distributed to the Holder upon such reorganization, reclassification, consolidation or merger had the Holder exercised this Warrant immediately prior to such reorganization, reclassification, consolidation or merger, appropriately adjusted for any subsequent event described in this Section 5. The Holder shall pay upon such exercise the Exercise Price that otherwise would have been payable pursuant to the terms of this Warrant. If any such reorganization, reclassification, consolidation or merger results in a cash distribution in excess of the then applicable Exercise Price, the holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price, and in such case the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full, and in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder. In the event of any such reorganization, merger or consolidation, the corporation formed by such consolidation or merger or the corporation which shall have acquired the assets of the Company shall execute and deliver a supplement hereto to the foregoing effect, which supplement shall also provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Warrant.

5.3 If the Company shall, at any time before the expiration of this Warrant, dissolve, liquidate or wind up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the shares of Common Stock of the Company that the Holder otherwise would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to the Holder upon any such dissolution, liquidation or winding up with respect to such Common Stock receivable upon exercise of this Warrant on the date for determining those entitled to receive any such distribution. If any such dissolution, liquidation or winding up results in any cash distribution in excess of the Exercise Price provided by this Warrant, the Holder may, at the Holder's option, exercise this Warrant without making payment of the Exercise Price and, in such case, the Company shall, upon distribution to the Holder, consider the Exercise Price to have been paid in full and, in making settlement to the Holder, shall deduct an amount equal to the Exercise Price from the amount payable to the Holder.

6. Notices to Holder. So long as this Warrant shall be outstanding (a) if the Company shall pay any dividends or make any distribution upon the Common Stock otherwise than in cash or (b) if the Company shall offer generally to the holders of Common Stock the right to subscribe to or purchase any shares of any class of Common Stock or securities convertible into Common Stock or any similar rights or (c) if there shall be any capital reorganization of the Company in which the Company is not the surviving entity, recapitalization of the capital stock of the Company, consolidation or merger of the Company with or into another corporation, sale, lease or other transfer of all or substantially all of the property and assets of the Company, or voluntary or involuntary dissolution, liquidation or winding up of the Company, then in such event, the Company shall cause to be mailed to the

---

Holder, at least thirty (30) days prior to the relevant date described below (or such shorter period as is reasonably possible if thirty (30) days is not reasonably possible), a notice containing a description of the proposed action and stating the date or expected date on which a record of the Company's shareholders is to be taken for the purpose of any such dividend, distribution of rights, or such reclassification, reorganization, consolidation, merger, conveyance, lease or transfer, dissolution, liquidation or winding up is to take place and the date or expected date, if any is to be fixed, as of which the holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such event.

7. Transfer, Exercise, Exchange, Assignment or Loss of Warrant, Warrant Shares or Other Securities.

7.1 This Warrant may be transferred, exercised, exchanged or assigned ("transferred"), in whole or in part, subject to the following restrictions. This Warrant and the Warrant Shares or any other securities ("Other Securities") received upon exercise of this Warrant shall be subject to restrictions on transferability until registered under the Securities Act of 1933, as amended (the "Securities Act"), unless an exemption from registration is available. Until this Warrant and the Warrant Shares or Other Securities are so registered, this Warrant and any certificate for Warrant Shares or Other Securities issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel for the Company, stating that this Warrant the Warrant Shares or Other Securities may not be sold, transferred or otherwise disposed of unless, in the opinion of counsel satisfactory to the Company, which may be counsel to the Company, that this Warrant, the Warrant Shares or Other Securities may be transferred without such registration. This Warrant and the Warrant Shares or Other Securities may also be subject to restrictions on transferability under applicable state securities or blue sky laws. Until this Warrant and the Warrant Shares or Other Securities are registered under the Securities Act, the Holder shall reimburse the Company for its expenses, including attorneys' fees, incurred in connection with any transfer or assignment, in whole or in part, of this Warrant or any Warrant Shares or Other Securities.

7.2 Until this Warrant, the Warrant Shares or other Securities are registered under the Securities Act, the Company may require, as a condition of transfer of this Warrant, the Warrant Shares, or Other Securities, that the transferee (who may be the Holder in the case of an exercise or exchange) represent that such transferee is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act and that the securities being transferred are being acquired for investment purposes and for the transferee's own account and not with a view to or for sale in connection with any distribution of the security.

7.3 Any transfer permitted hereunder shall be made by surrender of this Warrant to the Company or to the Transfer Agent at its offices with a duly executed request to transfer the Warrant, which shall provide adequate information to effect such transfer and shall be accompanied by funds sufficient to pay any transfer taxes applicable. Upon satisfaction of all transfer conditions, the Company or Transfer Agent shall, without charge, execute and deliver a new Warrant in the name of the transferee named in such transfer request, and this Warrant promptly shall be cancelled.

---

7.4 Upon receipt by the Company of evidence satisfactory to it of loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, of reasonable satisfactory indemnification, or, in the case of mutilation, upon surrender of this Warrant, the Company will execute and deliver, or instruct the Transfer Agent to execute and deliver, a new Warrant of like tenor and date, any such lost, stolen or destroyed Warrant thereupon shall become void.

8. Representations and Warranties of the Holder. The Holder hereby represents and warrants to the Company with respect to the issuance of the Warrant as follows:

8.1 Experience. The Holder has substantial experience in evaluating and investing in securities in companies similar to the Company so that such Holder is capable of evaluating the merits and risks of such Holder's investment in the Company and has the capacity to protect such Holder's own interests.

8.2 Investment. The Holder is acquiring this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) for investment for such Holder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that this Warrant (and the Warrant Shares issuable upon exercise of the Warrant) have not been, and will not be, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Holder's representations as expressed herein.

8.3 Held Indefinitely. The Holder acknowledges that this Warrant (and the Warrant Shares issuable upon exercise of this Warrant) must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available.

8.4 Accredited Holder. The Holder is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act.

8.5 Legends. The Holder understands and acknowledges that the certificate(s) evidencing the securities issued by the Company will be imprinted with a restrictive legend as referenced in Section 7.1 above.

8.6 Access to Data. The Holder has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's management and the opportunity to review the Company's facilities and business plans. The Holder has also had an opportunity to ask questions of officers of the Company, which questions were answered to its satisfaction.

8.7 Authorization. This Warrant and the agreements contemplated hereby, when executed and delivered by the Holder, will constitute a valid and legally binding obligation of the Holder, enforceable in accordance with their respective terms.

8.8 Brokers or Finders. The Company has not incurred, and will not incur, directly or indirectly, as a result of any action taken by such Holder, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Warrant or any transaction contemplated hereby.

---

9. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given, if delivered in person or mailed, certified, return-receipt requested, postage prepaid to the address previously provided to the other party, or sent by fax or email (to the extent stated below). Either party hereto may from time to time, by written notice to the other party, designate a different address. If any notice or other document is sent by certified or registered mail, return receipt requested, postage prepaid, properly addressed as aforementioned, the same shall be deemed delivered seventy-two (72) hours after mailing thereof. If any notice is sent by fax or email, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

10. Amendment. Any provision of this Warrant may be amended or the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the mutual written consent of the Company and the Holder.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York.

---

IN WITNESS WHEREOF, the Company and the Holder have executed this Warrant on the respective dates set forth below.

**HOLDER**

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

Name: \_\_\_\_\_

[if entity]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CYTODYN INC.**

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

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**FORM OF EXERCISE**

**To be executed upon exercise of Warrant  
(please print)**

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Number \_\_\_\_\_ certificate, to \_\_\_\_\_ shares of common stock, \$0.001 par value per share ("Common Stock") of CytoDyn Inc. (the "Company") and herewith tenders payment for such shares of Common Stock to the order of the Company the amount of \$0.30 per share in accordance with the terms hereof. The undersigned requests that a certificate for such shares of Common Stock be registered in the name of \_\_\_\_\_ whose address is \_\_\_\_\_. If said number of shares of Common Stock is less than all of the shares of Common Stock purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the shares of Common Stock be registered in the name of \_\_\_\_\_, whose address is \_\_\_\_\_, and that such Warrant Certificate be delivered to \_\_\_\_\_, whose address is \_\_\_\_\_.

Representations of the undersigned.

a) The undersigned acknowledges that the undersigned has received, read and understood the Warrant and agrees to abide by and be bound by its terms and conditions.

b) (i) The undersigned has such knowledge and experience in business and financial matters that the undersigned is capable of evaluating the Company and the proposed activities thereof, and the risks and merits of this prospective investment.

YES       NO

(ii) If "No", the undersigned is represented by a "purchaser representative," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act").

YES       NO

c) (i) The undersigned is an "accredited investor," as that term is defined in the Securities Act and Rule 501 of Regulation D thereunder.

YES       NO

(ii) If "Yes," the undersigned comes within the following category of that definition (check one and complete the blanks as applicable):

1. The undersigned is a natural person whose present net worth (or whose joint net worth with his or her spouse), excluding the value of the undersigned's primary residence, exceeds \$1,000,000. For purposes of calculating the undersigned's present net worth, the undersigned has

included the following as liabilities: (i) any indebtedness that is secured by the undersigned's primary residence in excess of the estimated fair market value of the undersigned's primary residence at the time of the sale of the shares, and (ii) any incremental debt secured by the undersigned's primary residence that was incurred in the 60 days before the sale of the shares, other than as a result of the acquisition of the undersigned's primary residence.

- 2. The undersigned is a natural person who had individual income in excess of \$200,000 in each of the last two years or joint income with the undersigned's spouse in excess of \$300,000 during such two years, and the undersigned reasonably expects to have the same income level in the current year.
- 3. The undersigned is an officer or director of the Company.
- 4. The undersigned is a corporation or partnership not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
- 5. The undersigned is a trust with total assets in excess of \$5,000,000 whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.
- 6. The undersigned is an entity, all of whose equity owners are accredited investors under paragraphs 1, 2, 3, 4 or 5, above.

d) The undersigned understands that the shares purchased hereunder have not been registered under the Securities Act, in reliance upon the exemption from the registration requirements under the Securities Act pursuant to Section 4(2) of the Securities Act and Rule 506 of Regulation D thereunder; and, therefore, that the undersigned must bear the economic risk of the investment for an indefinite period of time since the securities cannot be sold, transferred or assigned to any person or entity without compliance with the provisions of the Securities Act.

Submitted by:

Accepted by CytoDyn Inc.:

By: \_\_\_\_\_  
Date: \_\_\_\_\_  
SS/Tax ID: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_  
Tax ID: \_\_\_\_\_

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

## SUBSCRIPTION AGREEMENT

CytoDyn Inc.  
1111 Main Street, Suite 660  
Vancouver, Washington 98660

Ladies and Gentlemen:

1. **Subscription.** The undersigned (the “Purchaser”), intending to be legally bound, hereby irrevocably agrees to purchase from CytoDyn Inc., a Delaware corporation (the “Company”), (i) convertible promissory notes of the Company, substantially in the form attached hereto as Exhibit A (the “Notes”), in the principal amount set forth on the signature page hereof. In addition, each Purchaser shall also receive a warrant, substantially in the form attached hereto as Exhibit B (the “Warrants” and together with the Notes, the shares of Common Stock (as defined below) issuable upon conversion of the Notes (the “Note Shares”) and the shares of Common Stock issuable upon exercise of the Warrants (the “Warrant Shares”), collectively, the “Securities”), to purchase a number of shares of common stock, \$0.001 par value, of the Company (the “Common Stock”), equal to 50% of the number of shares of Common Stock issuable upon conversion of the Notes. The Warrants will be exercisable for Warrant Shares for a 5-year period commencing at the Closing (as defined below) at an exercise price of \$0.30 per share. The Notes shall be convertible into Note Shares at a conversion price of \$0.50 per share.

2. **The Offering.** This subscription is submitted to you in accordance with and subject to the terms and conditions described in this Subscription Agreement relating to the offering (the “Offering”) by the Company of Notes and related Warrants. The closing of the Offering to which this Subscription Agreement relates (the “Closing”) may be scheduled by the Company at any time after the execution of this Subscription Agreement. Additional Securities may have been and may continue to be offered and sold from time to time in the Offering, until the date on which the Offering is concluded, through additional closings conducted by the Company with respect to those additional Securities sold.

3. **Payment.** The Purchaser will immediately make a wire transfer payment to the Company pursuant to the instructions included herein in the full amount of the purchase price of the Securities being subscribed for hereby. Wire transfer instructions are set forth on the Subscription Instructions included on the last page hereof under the heading “To subscribe for Securities in the private offering of CytoDyn Inc.” Together with a wire transfer (or, subject to the Company’s approval in its sole discretion in lieu of a wire transfer, a check) for the full purchase price, the Purchaser is delivering a completed and executed omnibus Signature Page to this Subscription Agreement and an initialed Accredited Investor Certification.

4. **Acceptance of Subscription.** The Purchaser understands and agrees that the Company, in its sole discretion, reserves the right to accept or reject this or any other subscription for Securities, in whole or in part, notwithstanding prior receipt by the Purchaser of notice of acceptance of this subscription. The Company shall have no obligation hereunder, including the issuance of the Notes and the Warrants, until the Company shall execute and deliver to the Purchaser an executed copy of this Subscription Agreement. If this subscription is rejected in whole or the Offering of Securities is terminated, all funds received from the Purchaser will be



---

returned without interest or offset, and this Subscription Agreement shall thereafter be of no further force or effect. If this subscription is rejected in part, the funds for the rejected portion of this subscription will be returned without interest or offset, and this Subscription Agreement will continue in full force and effect to the extent this subscription was accepted.

#### **5. Registration Rights.**

(a) If at any time, the Company proposes to register the offer and sale of shares of its Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), solely for the benefit of selling stockholders on any form of registration statement and not for any primary offering of the securities of the Company, which registration statement had not been filed prior to the date hereof (a "Piggyback Registration Statement"), the Company shall each such time give the Purchaser prior written notice of the filing of such Piggyback Registration Statement. Upon the written request of the Purchaser received not less than five (5) business days prior to the filing of such Piggyback Registration Statement, the Company shall use its reasonable efforts to cause to be registered under the Securities Act the resale of any Note Shares and/or Warrant Shares issued or issuable to the Purchaser that the Purchaser has requested to be registered at such time, subject to the Purchaser's provision of an executed Selling Stockholder Notice and Questionnaire, substantially in the form attached hereto as Exhibit C, as well as such other information about the Purchaser as may reasonably be requested by the Company to facilitate such registration.

(b) If a Piggyback Registration Statement contemplates an underwritten public offering, the Company shall so advise the Purchaser as part of the written notice given pursuant to Section 5(a) above. The Purchaser agrees, in each such instance, as a condition to registering the offer and sale of the Purchaser's Note Shares and/or Warrant Shares by means of the Piggyback Registration Statement, (1) to be party to and to execute an underwriting agreement in customary form, and (2) that, if the underwriters advise the Company that the amount of Note Shares and Warrant Shares proposed to be included in such offering exceeds the maximum amount that, in the opinion of such underwriters, can be sold without adversely affecting the offering price, timing, distribution method, or probability of success of such offering (the "Maximum Amount"), then the amount to be included shall be reduced to the Maximum Amount, allocated pro rata across participating investors in this Offering, in proportion to the aggregate amount of Note Shares and Warrant Shares requested to be registered by each.

#### **6. Restrictions on Transfer.**

(a) The Purchaser understands and agrees that the Securities are subject to the transfer restrictions specified in the Notes and the Warrants, and that the Securities have not been registered under the Securities Act or the securities laws of any state or other jurisdiction; accordingly, the Securities (including the Notes Shares and the Warrant Shares) must be held indefinitely unless they are subsequently registered or unless, in the opinion of counsel reasonably acceptable to the Company, a sale or transfer may be made in compliance with the provisions of the Notes and the Warrants, as the case may be, and without registration under United States securities laws and the applicable securities laws of any state or other jurisdiction.

(b) The Purchaser understands and agrees that the Company is currently under no obligation to register the Securities, and is not currently contemplating filing a Piggyback Registration Statement which would give rise to the rights detailed in Section 5 above with respect to the Notes Shares or the Warrant Shares.

---

(c) The Purchaser further agrees that legends may be placed on the Securities restricting the transfer thereof, and that appropriate notations may be made in the Company's stock books and stop transfer instructions placed with the transfer agent of the Common Stock, each in a manner generally consistent with the foregoing.

(d) The Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act ("Rule 144") which, in substance, permit limited public resale of "restricted securities" acquired by non-affiliates of the issuer thereof, directly or indirectly, from the issuer (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, if applicable, including, among other things, the availability of certain public information about the Company and the resale occurring not less than six (6) months after the party has purchased and paid for the securities to be sold.

(e) The Purchaser further understands that at the time the Purchaser wishes to sell Securities (including any Notes Shares or Warrant Shares issued or issuable upon conversion or exercise of the Notes or the Warrants) there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Company may not have filed all reports and other materials required under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, other than Form 8-K reports, during the preceding 12 months, and that, in such event, because the Company is a former "shell company" as contemplated under paragraph (i) of Rule 144, Rule 144 will not be available to the Purchaser.

(f) The Purchaser further understands that, because the Company is a former "shell company" as contemplated under paragraph (i) of Rule 144, regardless of the amount of time that the Purchaser holds the Securities, sales of the Securities may only be made under Rule 144 upon the satisfaction of certain conditions, including that the Company has filed with the United States Securities and Exchange Commission (the "SEC"), during the 12 months preceding the sale, all quarterly and annual reports required under the Securities Exchange Act of 1934, as amended; and that, accordingly, **any restrictive legends placed on the Securities cannot be removed except in connection with an actual sale that is subject to an effective registration statement under, or an applicable exemption from the registration requirements of, the Securities Act, and "blanket" removals of any such restrictive legends will not be possible.**

(g) The Purchaser further understands that in the event all of the requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A promulgated under the Securities Act, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the staff of the SEC has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

---

## 7. Representations and Warranties.

The Purchaser hereby acknowledges, represents, warrants, and agrees as follows:

(a) None of the Securities offered hereby are registered under the Securities Act or the securities laws of any other state or jurisdiction. The Purchaser understands that the offering and sale of the Securities (including the issuance of Note Shares and Warrant Shares, as the case may be, upon conversion or exercise of the Notes or the Warrants) is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof and the provisions of Regulation D (“Regulation D”) as promulgated by the SEC thereunder, based, in part, upon the representations, warranties and agreements of the Purchaser contained in this Subscription Agreement.

(b) Prior to the execution of this Subscription Agreement, the Purchaser and the Purchaser’s attorney, accountant, purchaser representative and/or tax adviser, if any (collectively, the “Advisers”), have received all documents requested by the Purchaser, have carefully reviewed them and understand the information contained therein.

(c) Neither the SEC nor any state securities commission or other regulatory authority has approved the Notes, the Warrants, the Note Shares or the Warrant Shares, or passed upon or endorsed the merits of the offering of securities or confirmed the accuracy or determined the adequacy of the Offering. The Offering has not been reviewed by any federal, state or other regulatory authority.

(d) All documents, records, and books pertaining to the investment in the Securities have been made available for inspection by such Purchaser and its Advisers, if any.

(e) The Purchaser and its Advisers, if any, have had a reasonable opportunity to ask questions of and receive answers from a person or persons acting on behalf of the Company concerning the Offering and sale of the Securities and the business, financial condition and results of operations of the Company, and all such questions have been answered to the full satisfaction of the Purchaser and its Advisers, if any.

(f) In evaluating the suitability of an investment in the Company, the Purchaser has not relied upon any representation or information (oral or written) other than as stated in this Subscription Agreement.

(g) The Purchaser is unaware of, is in no way relying on, and did not become aware of the Offering of the Securities through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet (including, without limitation, internet “blogs,” bulletin boards, discussion groups and social networking sites) in connection with the Offering and sale of the Securities and is not subscribing for the Securities and did not become aware of the Offering of the Securities through or as a result of any seminar or meeting to which the Purchaser was invited by, or any solicitation of a subscription by, a person not previously known to the Purchaser in connection with investments in securities generally.

(h) The Purchaser, together with its Advisers, if any, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with the Offering to evaluate the merits and risks of an investment in the Securities and the Company and to make an informed investment decision with respect thereto.

---

(i) The Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Subscription Agreement or the transactions contemplated hereby.

(j) The Purchaser is not relying on the Company or any of its respective employees or agents with respect to the legal, tax, economic and related considerations of an investment in the Securities, and the Purchaser has relied on the advice of, or has consulted with, only its own Advisers.

(k) The Purchaser is acquiring the Securities (including, upon conversion or exercise of the Notes or the Warrants, as the case may be, the Note Shares and the Warrant Shares) solely for such Purchaser's own account for investment purposes only and not with a view to or intent of resale or distribution thereof, in whole or in part. The Purchaser has no agreement or arrangement, formal or informal, with any person to sell or transfer all or any part of the Notes, the Warrants, the Note Shares or the Warrant Shares, and the Purchaser has no plans to enter into any such agreement or arrangement.

(l) The Purchaser must bear the substantial economic risks of the investment in the Securities (including, upon conversion or exercise of the Notes or the Warrants, as the case may be, the Note Shares and the Warrant Shares) indefinitely because none of the Securities may be sold, hypothecated or otherwise disposed of unless subsequently registered under the Securities Act and the applicable securities laws of any state or other jurisdiction or an exemption from such registration is available. Legends shall be placed on the Securities to the effect that they have not been registered under the Securities Act or the securities laws of any state or other jurisdiction and appropriate notations thereof will be made in the Company's stock books. Stop transfer instructions will be placed with the transfer agent of the Securities. There will not be any assurance that such securities will be freely transferable at any time in the foreseeable future.

(m) The Purchaser has adequate means of providing for such Purchaser's current financial needs and foreseeable contingencies and has no need for liquidity from its investment in the Securities for an indefinite period of time.

(n) The Purchaser is aware that an investment in the Securities is high risk, involving a number of very significant risks and has carefully read and considered the matters set forth under the caption "Risk Factors" in the Company's filings with the SEC (including the documents incorporated by reference therein) (the "SEC Filings"), and, in particular, acknowledges that the Company has a limited operating history, significant operating losses since inception, no revenues to date and limited assets, is engaged in a highly competitive business and will need additional capital which will result in dilution to the Purchaser if he, she, or it is not able to participate in future offerings.

(o) The Purchaser is aware that the Notes sold pursuant to this Agreement are unsecured and have no security interest in the assets of the Company, and if the Company is unable to pay the amounts due and payable on the Maturity Date, the Purchaser may lose the entire amount of his, her, or its investment in the Securities.

---

(p) The Purchaser meets the requirements of at least one of the suitability standards for an “accredited investor” as that term is defined in Regulation D and as set forth on the Accredited Investor Certification contained herein.

(q) The Purchaser meets the definition of a “Qualified Purchaser” as set forth in Section 2(a)(51) of the Investment Company Act of 1940.

(r) The Purchaser (i) if a natural person, represents that the Purchaser has reached the age of 21 and has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Securities, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Subscription Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the securities constituting the Securities, the execution and delivery of this Subscription Agreement has been duly authorized by all necessary action, this Subscription Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Subscription Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Subscription Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Purchaser is executing this Subscription Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Subscription Agreement and make an investment in the Company, and represents that this Subscription Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Subscription Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Purchaser is a party or by which it is bound.

(s) The Purchaser and its Advisers, if any, have had the opportunity to obtain any additional information, to the extent the Company has such information in its possession or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in the SEC Filings and all documents received or reviewed in connection with the purchase of the Securities and have had the opportunity to have representatives of the Company provide them with such additional information regarding the terms and conditions of this particular investment and the financial condition, results of operations, business of the Company deemed relevant by the Purchaser or its Advisers, if any, and all such requested information, to the extent the Company had such information in its possession or could acquire it without unreasonable effort or expense, has been provided to the full satisfaction of the Purchaser and its Advisers, if any.

---

(t) Any information which the Purchaser has heretofore furnished or is furnishing herewith to the Company is complete and accurate and may be relied upon by the Company in determining the availability of an exemption from registration under federal and state securities laws in connection with the Offering and sale of the Securities. The Purchaser further represents and warrants that it will notify and supply corrective information to the Company immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the Securities.

(u) The Purchaser has significant prior investment experience, including investment in non-listed and non-registered securities. The Purchaser is knowledgeable about investment considerations in development-stage companies with limited operating histories. The Purchaser has a sufficient net worth to sustain a loss of its entire investment in the Company in the event such a loss should occur. The Purchaser's overall commitment to investments which are not readily marketable is not excessive in view of the Purchaser's net worth and financial circumstances and the purchase of the Securities will not cause such commitment to become excessive. The investment in the Securities is a suitable one for the Purchaser.

(v) The Purchaser is satisfied that the Purchaser has received adequate information with respect to all matters which it or its Advisers, if any, consider material to its decision to make this investment.

(w) The Purchaser acknowledges that any estimates or forward-looking statements or projections included in the SEC Filings (including the documents incorporated by reference therein) were prepared by the Company in good faith but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed by the Company and should not be relied upon.

(x) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or its Advisers, if any, in connection with the Offering which are in any way inconsistent with the information contained in this Subscription Agreement.

(y) Within five (5) days after receipt of a request from the Company, the Purchaser will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company is subject.

(z) THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SECURITIES ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE SECURITIES HAVE NOT BEEN RECOMMENDED, APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM OR THIS SUBSCRIPTION AGREEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

---

(aa) In making an investment decision investors must rely on their own examination of the Company and the terms of the Offering and sale of the Securities, including the merits and risks involved. The Purchaser should be aware that it will be required to bear the financial risks of this investment for an indefinite period of time.

(bb) **(For ERISA plans only)** The fiduciary of the ERISA plan (the “Plan”) represents that such fiduciary has been informed of and understands the Company’s investment objectives, policies and strategies, and that the decision to invest “plan assets” (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Purchaser fiduciary or Plan (1) is responsible for the decision to invest in the Company; (2) is independent of the Company or any of its affiliates; (3) is qualified to make such investment decision; and (4) in making such decision, the Purchaser fiduciary or Plan has not relied primarily on any advice or recommendation of the Company or any of its affiliates.

(cc) **The Purchaser should check the Office of Foreign Assets Control (“OFAC”) website at <<http://www.treas.gov/ofac>> before making the following representations.** The Purchaser represents that the amounts invested by it in the Company in the Offering were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, the programs administered by OFAC (the “OFAC Programs”) prohibit dealing with individuals<sup>1</sup> or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists.

(dd) To the best of the Purchaser’s knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The Purchaser agrees to promptly notify the Company should the Purchaser become aware of any change in the information set forth in these representations. The Purchaser understands and acknowledges that, by law, the Company may be obligated to “freeze the account” of the Purchaser, either by prohibiting additional subscriptions from the Purchaser, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations. The Purchaser further acknowledges that the Company may, by written notice to the

---

<sup>1</sup> These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

---

Purchaser, suspend the redemption rights, if any, of the Purchaser if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company or any of the Company's other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

(ee) To the best of the Purchaser's knowledge, none of: (1) the Purchaser; (2) any person controlling or controlled by the Purchaser; (3) if the Purchaser is a privately-held entity, any person having a beneficial interest in the Purchaser; or (4) any person for whom the Purchaser is acting as agent or nominee in connection with this investment is a senior foreign political figure,<sup>2</sup> or any immediate family<sup>3</sup> member or close associate<sup>4</sup> of a senior foreign political figure, as such terms are defined in the footnotes below.

(ff) If the Purchaser is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Purchaser receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Purchaser represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

8. **Indemnification.** The Purchaser agrees to indemnify and hold harmless the Company and each of its respective officers, directors, employees, agents, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of any actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Purchaser of any covenant or agreement made by the Purchaser herein or in any other document delivered in connection with this Subscription Agreement.

9. **Irrevocability; Binding Effect.** The Purchaser hereby acknowledges and agrees that the subscription hereunder is irrevocable by the Purchaser, except as required by applicable law, and that this Subscription Agreement shall survive the death or disability of the Purchaser and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators,

---

<sup>2</sup> A "senior foreign political figure" is defined as a current or former senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

<sup>3</sup> "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

<sup>4</sup> A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.



---

successors, legal representatives, and permitted assigns. If the Purchaser is more than one person, the obligations of the Purchaser hereunder shall be joint and several and the agreements, representations, warranties, and acknowledgments herein shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives, and permitted assigns.

10. **Modification.** This Subscription Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought.

11. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or delivered against receipt to the party to whom it is to be given (a) if to the Company, at the address set forth above, or (b) if to the Purchaser, at the address set forth on the signature page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section 11). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof. If any notice is delivered by fax or email to a party, it will be deemed to have been delivered on the date the fax or email thereof is actually received, provided the original thereof is sent by certified mail, in the manner set forth above, within twenty-four (24) hours after the fax or email is sent.

12. **Assignability.** This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Purchaser and the transfer or assignment of the Notes, the Warrants, the Notes Shares or the Warrant Shares, as the case may be, shall be made only in accordance with the respective requirements of this Subscription Agreement, the Notes, the Warrants and all applicable laws. Any purported transfer or assignment in violation of this Section 12 shall be null and void.

13. **Applicable Law.** This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be wholly performed within said State.

14. **Arbitration.** The parties agree to submit all controversies to arbitration in accordance with the provisions set forth below and understand that:

(a) Arbitration is final and binding on the parties.

(b) The parties are waiving their right to seek remedies in court, including the right to a jury trial.

(c) Pre-arbitration discovery is generally more limited and different from court proceedings.

(d) The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by arbitrators is strictly limited.

---

(e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

(f) All controversies which may arise between the parties concerning this Subscription Agreement shall be determined by arbitration in New York, New York. Judgment on any award of any such arbitration may be entered in any court having jurisdiction of the person or persons against whom such award is rendered. Any notice of such arbitration or for the confirmation of any award in any arbitration shall be sufficient if given in accordance with the provisions of this Agreement. The parties agree that the determination of the arbitrators shall be binding and conclusive upon them.

15. **Blue Sky Qualification.** The purchase of Securities under this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Securities from applicable federal and state securities laws. The Company shall not be required to qualify this transaction under the securities laws of any jurisdiction and, should qualification be necessary, the Company shall be released from any and all obligations to maintain its offer, and may rescind any sale contracted, in the jurisdiction.

16. **Use of Pronouns.** All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

17. **Confidentiality.** The Purchaser acknowledges and agrees that any information or data the Purchaser has acquired from or about the Company, not otherwise properly in the public domain, was received in confidence. The Purchaser agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company, including any scientific, technical, trade or business secrets of the Company and any scientific, technical, trade or business materials that are treated by the Company as confidential or proprietary, including, but not limited to, ideas, discoveries, inventions, developments and improvements belonging to the Company and confidential information obtained by or given to the Company about or belonging to third parties.

18. **Miscellaneous.**

(a) This Subscription Agreement constitutes the entire agreement between the Purchaser and the Company with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Subscription Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

(b) The representations and warranties of the Company and the Purchaser made in this Subscription Agreement shall survive the execution and delivery hereof and delivery of the Notes and the Warrants.

(c) Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Subscription Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

---

(d) This Subscription Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

(e) Each provision of this Subscription Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Subscription Agreement.

(f) Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Subscription Agreement as set forth in the text.

(g) The Purchaser understands and acknowledges that there may be multiple closings for this Offering.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

---

**PRIVATE PLACEMENT OFFERING OF  
CYTODYN INC.**

**SUBSCRIPTION INSTRUCTIONS**

**To subscribe for Securities in the private offering of CytoDyn Inc.:**

1. **Date and Fill in** the number of Securities being purchased and **Complete and Sign** one (1) copy of the Subscription Agreement.
2. **Initial** the Accredited Investor Certification page attached to the Subscription Agreement.
3. **E-mail** all forms to Michael Mulholland or Tracie Melchior at [mmulholland@cytodyn.com](mailto:mmulholland@cytodyn.com) or [tmelchior@cytodyn.com](mailto:tmelchior@cytodyn.com) then send all signed original documents to:

CytoDyn Inc.  
1111 Main Street, Suite 660  
Vancouver, Washington 98660  
Attention: Michael Mulholland  
(360) 980-8524

4. **Please wire funds directly to the Company pursuant to the following instructions (unless other arrangements have been made):**

**Bank Name:**

**Bank Address:**

**ABA Number:** \_\_\_\_\_

**A/C Name:** CytoDyn Inc.

**A/C Number:** \_\_\_\_\_

**FBO: Investor Name** \_\_\_\_\_

**Address** \_\_\_\_\_

**CYTODYN INC.**

**SIGNATURE PAGE TO THE  
SUBSCRIPTION AGREEMENT**

Subscriber hereby elects to subscribe under the Subscription Agreement for a total of

(1) Notes in the principal amount of \$ \_\_\_\_\_ ( \_\_\_\_\_ dollars) and

(2) Warrants exercisable for \_\_\_\_\_ ( \_\_\_\_\_) shares of Common Stock [(1) / \$0.50 x 0.5]

(NOTE: to be completed by subscriber) and executes the Subscription Agreement.

Date (NOTE: To be completed by subscriber): \_\_\_\_\_

If the Purchaser is an INDIVIDUAL, and if purchased as JOINT TENANTS, as TENANTS IN COMMON, or as COMMUNITY PROPERTY:

\_\_\_\_\_  
Print Name(s)

\_\_\_\_\_  
Social Security Number(s)

\_\_\_\_\_  
Signature(s) of Subscriber(s)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

If the Purchaser is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY or TRUST:

\_\_\_\_\_  
Name of Partnership, Corporation, Limited  
Liability Company or Trust

\_\_\_\_\_  
Federal Taxpayer Identification Number

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
State of Organization

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

Accepted and agreed:

CytoDyn inc.

By: \_\_\_\_\_  
Authorized Officer

---

**CYTODYN INC.**

**ACCREDITED INVESTOR CERTIFICATION**

**For Individual Investors Only**  
**(all Individual Investors must *INITIAL* where appropriate):**

**Initial** \_\_\_\_\_ I have an individual net worth, or joint net worth with my spouse, as of the date hereof in excess of \$1 million. For purposes of calculating net worth under this category, (i) the undersigned's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the undersigned's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability, (iii) to the extent that the indebtedness that is secured by the primary residence is in excess of the fair market value of the primary residence, the excess amount shall be included as a liability, and (iv) if the amount of outstanding indebtedness that is secured by the primary residence exceeds the amount outstanding 60 days prior to the execution of this Subscription Agreement, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability.

**Initial** \_\_\_\_\_ I have had an annual gross income for the past two years of at least \$200,000 (or \$300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

**Initial** \_\_\_\_\_ I am a director or executive officer of CytoDyn Inc.

**For Non-Individual Investors**  
**(all Non-Individual Investors must *INITIAL* where appropriate):**

**Initial** \_\_\_\_\_ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above.

**Initial** \_\_\_\_\_ The investor certifies that it is a partnership, corporation, limited liability company or any organization described in Section 501(c)(3) of the Internal Revenue Code, Massachusetts or similar business trust that has total assets of at least \$5 million and was not formed for the purpose of investing the Company.

**Initial** \_\_\_\_\_ The investor certifies that it is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment adviser.

**Initial** \_\_\_\_\_ The investor certifies that it is an employee benefit plan whose total assets exceed \$5,000,000 as of the date of this Agreement.

- 
- Initial** \_\_\_\_\_ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet either of the criteria for Individual Investors.
- Initial** \_\_\_\_\_ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.
- Initial** \_\_\_\_\_ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.
- Initial** \_\_\_\_\_ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding \$5,000,000 and not formed for the specific purpose of investing in the Company.
- Initial** \_\_\_\_\_ The investor certifies that it is a trust with total assets of at least \$5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment.
- Initial** \_\_\_\_\_ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of \$5,000,000.
- Initial** \_\_\_\_\_ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act, or a registered investment company.
- Initial** \_\_\_\_\_ An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act.
- Initial** \_\_\_\_\_ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
- Initial** \_\_\_\_\_ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

---

**EXHIBIT A**

**FORM OF NOTE**



---

**EXHIBIT B**

**FORM OF WARRANT**

---

**EXHIBIT C**

**SELLING STOCKHOLDER  
NOTICE AND QUESTIONNAIRE**

The undersigned is the beneficial owner of certain Securities of CytoDyn Inc., a Delaware corporation (the “Company”), issued in accordance with the terms of the Subscription Agreement (the “Subscription Agreement”) to which the form of this Notice and Questionnaire was originally annexed.

The undersigned understands that the Company has filed or intends to file with the Securities and Exchange Commission (the “Commission”) a registration statement (the “Registration Statement”) to register, under Rule 415 of the Securities Act of 1933, as amended (the “Securities Act”), the resale of the Note Shares and/or the Warrant Shares (collectively, the “Registrable Securities”) beneficially owned by the undersigned.

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Subscription Agreement. A copy of the Subscription Agreement is available from the Company upon written request at the following address:

CytoDyn Inc.  
1111 Main Street, Suite 660  
Vancouver, Washington 98660.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and related prospectus.

The undersigned beneficial owner of Registrable Securities (the “Selling Stockholder”) hereby elects to include the Registrable Securities owned by it in the Registration Statement.

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

---

**SELLING STOCKHOLDER QUESTIONNAIRE**

**1. Name.**

Full Legal Name of Selling Stockholder:

Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

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

**2. Address for Notices to Selling Stockholder:**

Telephone:

Fax:

Contact Person:

**3. Broker-Dealer Status:**

(a) Are you a broker-dealer?

Yes  No

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes  No

**Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.**

---

(c) Are you an affiliate of broker-dealer?

Yes  No

(d) If “yes” to Section 3(c), do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes  No

**Note: If “no” to Section 3(d), the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.**

**4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.**

*Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Subscription Agreement.*

Type and amount of other securities beneficially owned by the Selling Stockholder:

**5. Relationships with the Company:**

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

State any exceptions here:

---

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and related prospectus and any amendments or supplements thereto.

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

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

Beneficial  
Owner: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title: