



Baron Global Financial Canada Ltd.
Suite 1980, 1075 W. Georgia Street,
Vancouver, BC
V6E 3C9

December 14, 2017

Cognetivity, Ltd.

WeWork Waterhouse Square,
138 Holborn, London, EC1N 2SW

Attention: Sina Habibi, CEO

Dear Sirs:

Re: Engagement of Baron Global Financial Canada Ltd. (“Baron” or the “Advisor”)

Further to our conversations and meetings, we wish to express our interest to be engaged as corporate advisor to Cognetivity, Ltd. (the “Company”), in connection with corporate advisory services. We understand that the Company wishes to engage Baron to assist in the management, filings and compliance of the Company.

All references to dollar amounts in this agreement (the “Engagement Agreement”) are expressed in Canadian Dollars, unless otherwise specified.

CORPORATE ADVISORY SERVICES

The Company shall retain the Advisor on a 12-month term to be the exclusive corporate advisor of the Company commencing upon receiving the final receipt of the prospectus filed with the British Columbia Securities Commission. The Company will be responsible for the direction and actual management of the Company. The Advisor shall provide the following corporate advisory services (the “Advisory Services”) to the Company:

- (a) Financial Reporting Functions, including:
 - i. Maintaining schedules, including prepaids, share structure including dilutive securities (options, warrants), derivative liability and stock-based compensation working papers, and escrowed share release schedules;
 - ii. Work with the auditor regarding the preparation of Canadian tax returns for the Company and its various subsidiaries and liaising with the Canada Revenue Agency (“CRA”) with respect to any CRA reviews;
 - iii. Implementation of internal control procedures;
 - iv. Preparation of quarterly consolidation working papers, financial statements;
 - v. Preparation of annual consolidation working papers, financial statements;
 - vi. Managing quarterly review process, including discussions with auditor, posting adjustments and revising working papers, financial statements, and preparing directors’ and audit committee resolutions, and posting of financial statements;

Advisory Agreement

- vii. Managing annual audit process, including discussions with auditor, providing auditor with necessary documentation, posting adjustments and revising working papers, financial statements, and sending related party confirmations, preparing directors' and audit committee resolutions, and posting of financial statements;
 - viii. Coordinating audit committee meetings between auditor and members of audit committee; and
 - ix. Managing the bookkeeper/accountant engaged by the Company to handle daily book-keeping, payroll, cheque runs and monthly bank reconciliation.
- (b) Corporate Finance Functions, including:
- i. Discuss possible financing strategies with management;
 - ii. Monitoring of financing participants and status of subscriptions;
 - iii. Reviewing and handling of financing documentation, including subscription agreements;
 - iv. Liaising with legal counsel to ensure compliance with both Canadian securities laws;
 - v. Preparation of closing documents including, but not limited to:
 - i. Subscription agreements
 - ii. Finder's fee agreements
 - iii. Letter to the Canadian Securities Exchange
 - iv. Directors' resolutions
 - v. Officer certificates
 - vi. Treasury orders
 - vii. Warrant certificates
 - viii. Delivery letters re: share and warrant certificates
- (c) Corporate Secretary Functions, including:
- i. Drafting and dissemination of directors' and committee resolutions;
 - ii. Drafting of meeting minutes;
 - iii. Drafting of disclosure as outlined in section (h) below;
 - iv. Liaising with the Company's Transfer Agent;
 - v. Organizing the annual general meeting with transfer agent and legal counsel;
 - vi. Preparing board meeting agendas and minutes;
 - vii. Processing Rule 144 legend removal for US shareholders; and
 - viii. Advising on corporate governance practice.
- (d) Liaising with Legal Counsels, including:
- i. Main point of contact between Company and various legal counsels;
 - ii. Joint preparation of Canadian filings as outlined in section (h) below;
 - iii. Joint review of news releases;
 - iv. Joint review of agreements such as employment agreements and other material agreements; and
 - v. Joint preparation of closing materials required for financings.
- (e) Handling of News Releases, including:
- i. Coordinating with other senior management with respect to drafting and editing releases to ensure the Company's corporate governance procedures are followed;
 - ii. Coordinating with legal counsel for review;

- iii. Coordinating with the Investment Industry Regulatory Organization of Canada (“IIROC”) for review; and
 - iv. Dissemination of news releases.
- (f) Regulatory Filings and Public Company Management, including:
- i. All filings associated with the CSE including, but not limited to:
 - Form 2A – updated listing statement (annual form)
 - Form 5 – quarterly listing statement
 - Form 7 – monthly progress report
 - Form 9 – notice of proposed issuance of listed securities (every time shares are issued pursuant to a financing, promissory note, asset purchase agreement etc.)
 - Form 10 – notice of proposed significant transaction (every time a transaction such as the asset purchase agreement is contemplated)
 - Form 11 – notice of stock option grant (every time options are issued)
 - ii. All filings required by Canadian securities laws including, but not limited to:
 - i. Reports of exempt distribution for financings/shares issuances
 - ii. Consents to act (when officers/directors are added to the Company)
 - iii. All filings associated with the OTCQB (if the Company pursues a OTCQB listing) including, but not limited to:
 - i. Organizing the Company’s listing on the OTCQB
 - ii. Posting of news releases to OTCQB website
 - iii. Posting of quarterly and annual financial statements to OTCQB website
 - iv. Reviewing and analyzing listings on potential senior exchanges and accompanying requirements and preparing reports based on said analyses
 - v. Liaising and discussing with legal counsel on potential senior listings and advising on next steps/alternatives
- (g) Advising of corporate governance principles and policies, along with continuous disclosure requirements, including:
- i. Filing of material documents on SEDAR (System for Electronic Document Analysis and Retrieval) as per Canadian securities laws;
 - ii. Coordinating SEDI (System for Electronic Disclosure by Insiders) filings as per Canadian securities laws;
 - iii. Coordinating SEC filings, if applicable;
 - iv. Implementing trading black-out periods when appropriate and necessary; and
 - v. Advising the board of implement the corporate governance policies and procedures.
- (h) Maintenance, storage, and organization of the Company’s paper records, particularly for quarterly review and year-end audit purposes

- (i) Baron will make available to the Company the services of its employee or such other individual as may be acceptable to the Company acting reasonably, to serve the Company as its Chief Financial Officer and Corporate Secretary.

COMPENSATION

For the Advisory Services to be provided to the Company by the Advisor, the Company shall pay to the Advisor a monthly cash advisory fee of \$15,000 (the “Cash Fee”) plus applicable tax, payable upon receiving invoice from the Advisor.

The Advisor and the Company mutually acknowledge that the Company will grant or cause to grant 300,000 stock options (the “Advisor Options”) to the Advisor in compliance with its stock option plan to be adopted. The Company may also consider granting stock options to the Advisor’s employees, associated or affiliated parties, who will perform the duties as the Company’s CFO and/or directors, and such additional stock options are not considered part of the Advisor’s Options as herein defined.

EXPENSES

The Company shall be responsible for all reasonable out-of-pocket expenses related to the Advisory Services, whether or not this Engagement is completed and therefore this obligation shall survive the termination of this Engagement Agreement, including all fees and disbursements of the Advisor’s legal counsel, printing costs, filing fees, and the Advisor’s out-of-pocket expenses. The Company shall also pay any applicable taxes on the foregoing amounts.

The Advisor shall, from time to time, send an invoice to the Company representing any fees and expenses incurred, including those of the Advisor’s legal counsel. The Advisor shall seek approval from the Company prior to incurring any one expense item that exceeds \$1,000.

REPRESENTATIONS, ETC. OF THE COMPANY

The Company represents, warrants and covenants as follows:

1. It is duly incorporated, validly exists, is in good standing under the laws of British Columbia, Canada, has the necessary corporate power, authority and capacity to own its property and assets and to carry on its business as presently conducted and is duly licensed to carry on business in all jurisdictions in which it presently carries on business.
2. It has duly obtained all corporate authorizations for the execution of this Engagement Agreement and for the performance of this Engagement Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of its articles or constating documents or any shareholders’ or directors’ resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound.
3. This Engagement Agreement has been duly executed and delivered by it and constitutes a valid, binding and enforceable agreement against it.

4. No proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or subject to any other laws governing the affairs of insolvent corporations.
5. There is not now pending against the Company nor to the knowledge of the Company is there threatened against it, any litigation or proceedings by or in any Court, tribunal or governmental agency, the outcome of which if adversely determined would materially adversely affect the business or continued operations of the Company.

REPRESENTATIONS, ETC. OF THE ADVISOR

The Advisor represents, warrants and covenants as follows:

1. It is duly incorporated, validly exists, is in good standing under the laws of British Columbia, Canada, has the necessary corporate power, authority and capacity to own its property and assets and to carry on its business as presently conducted and is duly licensed to carry on business in all jurisdictions in which it presently carries on business.
2. It has duly obtained all corporate authorizations for the execution of this Engagement Agreement and for the performance of this Engagement Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of its articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound.
3. This Engagement Agreement has been duly executed and delivered by it and constitutes a valid, binding and enforceable agreement against it.
4. No proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or subject to any other laws governing the affairs of insolvent corporations.
5. There is not now pending against the Advisor nor to the knowledge of the Advisor is there threatened against it, any litigation or proceedings by or in any Court, tribunal or governmental agency, the outcome of which if adversely determined would materially adversely affect the business or continued operations of the Advisor.

TERMINATION

The Advisor may terminate this Engagement Agreement without any reason by providing sixty (60) days written notice to the Company of the termination hereof.

The Company may terminate this Engagement Agreement without any reason by providing sixty (60) days written notice to the Advisor of the termination hereof.

If this Engagement Agreement is terminated for any reason, the Advisor shall be entitled to receive, and the Company shall pay all fees and reimbursable expenses up to the date of termination.

OTHERS

The Company recognizes and confirms that the Advisor in acting pursuant to this Engagement Agreement will be using information, reports and other information provided by others, including, without limitation, information provided by or on behalf of the Company, and that the Advisor does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such reports and information. The Company hereby warrants that any information relating to the Company that is furnished to the Advisor by or on behalf of the Company will be fair, accurate and complete and will not contain any material omissions or misstatements of fact.

The Company will, on a timely basis, make available or cause to be made available to the Advisor or provide the Advisor with access to all such information, data, documents, advice and opinions respecting the Company as the Advisor may reasonably deem necessary for it to perform its engagement hereunder, and will provide or cause to be provided access to management, auditors and such other professional advisors of the Company as the Advisor considers necessary or desirable, acting reasonably in order to perform its engagement hereunder and certificates as to matters of a factual nature as may be required by the Advisor from time to time. The Advisor shall not distribute to the public or file with any regulator any information or documents that has not first being approved by the Company.

This Engagement Agreement:

- (a) shall be governed by and construed solely in accordance with the laws of the province of British Columbia and the laws of Canada applicable therein;
- (b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto;
- (c) may not be amended or modified except in writing executed by the Company and the Advisor;
- (d) shall be binding upon and inure to the benefit of the Company, the Advisor and their respective successors and assigns; and
- (e) may not be assigned by either party without the prior written approval of the other party.

The parties agree to execute and deliver any other documents as may be considered necessary or desirable in order to give effect to the foregoing. This Engagement Agreement may be executed in one or more counterparts, each of which so signed, whether in original or facsimile form, shall be deemed to be an original and bear the dates as set out above and all of which together will constitute one and the same instrument.

We would like to thank you for giving us an opportunity to present you herewith a financial advisory proposal and look forward to working with you on this project.

Yours truly,

BARON GLOBAL FINANCIAL CANADA LTD.



Name: Herrick Lau
Title: Managing Director

The foregoing accurately reflects the terms of the transaction which we hereby agree to enter into and the undersigned agrees to be legally bound hereby.

Acknowledged and agreed on the date first above mentioned.

COGNETIVITY, LTD.



Name: Sina Habibi
Title: Chief Executive Officer