

Cognetivity Neurosciences Ltd.
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INFORMATION CIRCULAR
as at May 21, 2019 *except as otherwise indicated*

This Information Circular is furnished in connection with the solicitation of proxies by the management of Cognetivity Neurosciences Ltd. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 27, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the “Company”, “we” and “our” refer to **Cognetivity Neurosciences Ltd.** “**Common Shares**” means Class A common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company and legal counsel for the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so as follows:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent, TSX Trust Company ("**TSX Trust**"), by fax (416) 595-9593, or by mail, or by hand delivery to the Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1; or
- (b) the internet through the TSX Trust website at www.voteproxyonline.com. Registered Shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder's account number and the proxy access number.

Registered Shareholders must ensure that the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the Company distributes copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "Meeting materials") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a beneficial owner, and the Company or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of the proxy provided by the Company. The VIF will name the same persons as are named on the Company’s form of Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge’s instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to TSX Trust, or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Notice to Shareholders resident in the United States

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company’s shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in

Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

If financial statements are included or incorporated by reference herein, they have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Company Shareholders who are resident in, or citizens of, the United States may not be described fully in this Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed May 21, 2019 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares, which Common Shares are listed for trading on the Canadian Securities Exchange (the “**CSE**”). As of May 21, 2019 there were 45,727,093 Common Shares issued and outstanding, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of Class B Preferred Shares (the “**Preferred Shares**”). As of May 21, 2019 there were 10,000,002 Preferred Shares outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Common Shares began trading on the CSE under the symbol “CGN” on March 19, 2018; on the Frankfurt Stock Exchange under symbol “IUB” on May 3, 2018 and on the OTCQB in the United States under the symbol CGNSF on September 4, 2018.

No Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying

more than 10% of the voting rights attached to all outstanding Common Shares of the Company, other than as set forth below.

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares ⁽²⁾
Sina Habibi	5,330,769 ⁽¹⁾	12%

Notes:

1. Mr. Habibi also holds Options to purchase 1,000,000 Common Shares at an exercise price of \$0.25 per share for a period of five years, expiring on March 19, 2023.
2. Based on 45,727,093 issued and outstanding Common Shares.

Documents Incorporated by Reference

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of Alberta, British Columbia, Manitoba and Ontario at www.sedar.com are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- The audited annual financial statements of the Company and the related for the financial year ended January 31, 2018 and the related management’s discussion and analysis, both of which have been filed under the Company’s SEDAR profile on May 25, 2018.
- The audited annual financial statements of the Company for the financial years ended January 31, 2017 and January 31, 2016 and the related management’s discussion and analysis, both of which have been filed under the Company’s SEDAR profile on February 28, 2018.

Copies of documents incorporated herein by reference may also be obtained by a Shareholder upon request without charge from the Company’s Corporate Secretary at Suite 1980, 1075 West Georgia Street, Vancouver, BC, V6E 3C9, Tel: (604) 688-9588, or Fax: (778) 329-9361 or at denise.lok@barongroupintl.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolutions described herein as ordinary resolutions.

If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass resolution to confirm the number of directors of the Company for the ensuing year as five. The number of directors is to be approved by ordinary resolution of the Shareholders entitled to vote.

Management recommends the Shareholders approve the resolution to set the number of directors of the Company at five. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, in favour of the resolution to set the number of directors of the Company at five.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual meeting of the Shareholders of the Company and hold office until the end of the next annual Shareholder meeting or until their successors are elected or appointed, unless the director's office is vacated earlier in accordance with the Articles of the Company (the "Articles") or with the provisions of applicable legislation. Shareholders are asked to consider the persons set forth in the table below as director nominees, and to vote at the Meeting to elect them as directors for the ensuing year.

The following table sets out the names of management's five nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the last five years for each director nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, at May 21, 2019.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Period as a Director of the Company	Present Principal Occupation	Common Shares Beneficially Owned or Controlled⁽¹⁾
Sina Habibi ⁽²⁾ Chief Executive Officer and Director London, United Kingdom	Since December 2017	Director and CEO of Cognativity Ltd. Since April 2013 and PhD and postdoctoral researcher at the University of Cambridge from October 2008 to April 2014.	5,330,769 (11.7%)
David Velisek ⁽³⁾⁽⁴⁾ Director British Columbia, Canada	Since December 2015	Manager, Corporate Development at Baron Global Financial Canada Ltd. From 2009 to present.	119,000 (<1%)
Christos Kalafatis ⁽⁵⁾ Chief Medical Officer and Director London, United Kingdom	Since December 2017	Consultant in Old Age Psychiatry since 2015. Registrar in Old Age Psychiatry from 2012 to 2015.	435,165 (<1%)
Ravinder Kang ⁽⁴⁾⁽⁶⁾ Director British Columbia, Canada	Since December 2017	Self-employed since April 2015. He was the Director of Listed Issuer Services and held other positions with TMX Group from March 1992 to March 2015.	Nil
Mark A. Phillips ⁽⁴⁾⁽⁷⁾ Chief Compliance Officer and Director London, United Kingdom	Since December 2017	Chairman of Cognativity Ltd. Since 2014; Director of Fluorogenics Limited from September 2016 to present; Director of LabZero Limited from December 2013 to present.	543,956 (1.2%)

Notes:

1. Based on 45,727,093 issued and outstanding Common Shares.
2. Mr. Habibi also holds Options to purchase 1,000,000 Common Shares at an exercise price of \$0.25, expiring March 19, 2023.
3. Mr. Velisek owns 100,000 Common Shares and his spouse owns 19,000. Mr. Velisek also holds Options to purchase 200,000 Common Shares at an exercise price of \$0.25, expiring on March 19, 2023.

4. Member of Audit Committee.
5. Mr. Kalafatis also holds Options to purchase 300,000 Common Shares at an exercise price of \$0.25, expiring March 19, 2023.
6. Mr. Kang holds Options to purchase 200,000 Common Shares at an exercise price of \$0.25, expiring on March 19, 2023.
7. Mr. Phillips also holds Options (fully vested) to purchase 300,000 Common Shares at an exercise price of \$0.25, expiring on March 19, 2023.

None of the nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Management recommends election of each of the nominees listed above for election as director of the Company for the ensuing year. Unless otherwise indicated on the form of Proxy received by the Company, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy, properly executed, in favour of each of the nominees listed in the form of Proxy, all of whom are presently members of the Board.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then persons designated in the Proxy intend to exercise discretionary authority to vote the Common Shares represented by the Proxy for the election of any other persons nominated by management for election as directors.

Penalties, Sanctions and Cease Trade Orders

No proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has, within the ten (10) years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees named herein as directors of the Company until the close of the next annual general meeting.

APPOINTMENT OF AUDITOR

MNP LLP, Chartered Professional Accountants, of Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3 will be nominated at the Meeting for appointment as auditor of the Company.

MNP LLP, Chartered Professional Accountants, was first appointed auditor of the Company on February 15, 2017.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The provisions of National Instrument 52-110 – *Audit Committees* (“**NI52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

The audit committee has a charter, a copy of which is attached as Schedule A to this Information Circular.

Composition of the Audit Committee

Members of the audit committee are Messrs Kang, Phillips and Velisek. Messrs Kang and Velisek are independent members of the audit committee. Mr. Phillips is not independent as he is the Chief Compliance Officer of the Company. All audit committee members are considered to be financially literate.

An audit committee member is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

An audit committee member is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Relevant Education and Experience

Each member of the Company’s audit committee has adequate education and experience relevant to their performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

See further information for each audit committee member below.

Mark A. Phillips – Chief Compliance Officer - Non-Independent Director

Mr. Phillips has over 30 years’ experience in the pharmaceutical and lifescience industries, covering product development, manufacturing operations and business strategy. He has previously held positions as Senior Vice President and Head of Diagnostic Development and Supply, and Senior Vice President in R&D at GlaxoSmithKline.

He is currently a part-time Non-Executive Director to two non-competing life-science start-ups (Fluorogenics Limited and LabXero Limited). He is also researching innovation in healthcare technologies at the University of Cambridge.

Mark has a degree in Chemical Engineering from Loughborough University and a Masters from the University of Cambridge. He occasionally teaches at Leeds University Business School, Cranfield University and Cambridge University. He is a Chartered Engineer and Fellow of Institution of Chemical Engineers.

Ravinder Kang - Independent Director

Mr. Kang has been self-employed since April 2015. He was the Director of Listed Issuer Services and held other positions with TMX Group from March 1992 to March 2015. He is a corporate finance professional who is experienced in all aspects of Exchange policy, corporate governance and public company obligations. Mr. Kang is currently the principal of RSJ Consulting Inc., a firm that provides corporate finance advice. Mr. Kang received a Bachelor of Commerce degree from the University of British Columbia in 1988 and obtained his C.A. designation at Ernst and Young.

David Velisek - Independent Director

Mr. Velisek has been a director of the Company since its incorporation on December 11, 2015. He has been involved in the capital markets for over 15 years in investor relations, as a trader of equities, options and futures as well as an investment advisor. He is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Development.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than MNP LLP.

Reliance on Certain Exemptions

At no time has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

See the Audit Committee Charter for specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by MNP LLP to the Company to ensure auditor independence. Fees incurred with MNP LLP for audit and non-audit services in the years ended January 31, 2018 and January 31, 2017 are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended January 31, 2018	Fees Paid to Auditor in Year Ended January 31, 2017
Audit Fees ⁽¹⁾	\$53,510	\$44,900
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	1,248	1,248
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$54,758	\$46,148

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the consolidated financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

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

The Board facilitates its independent supervision over management by conducting quarterly reviews of the Company’s consolidated financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent Board members are David Velisek and Ravinder Kang. The non-independent directors are Sina Habibi, Chief Executive Officer; Mark A. Phillips, Chief Compliance Officer and Christos Kalafatis, Chief Medical Officer.

Directorships

The current directors are board members of other reporting issuers as follows:

Name of Director	Name of Reporting Issuer	Exchange
David Velisek	Confederation Minerals Ltd.	TSXV
	Cerro Mining Corp.	NEX
Ravinder Kang	Cryptanite Blockchain Technologies Corp.	CSE
	Bluerock Ventures Corp.	TSXV
	ME Resource Corp.	CSE
	BetterU Education Corp.	TSXV
	FogChain Corp.	CSE
	Confederation Minerals Ltd.	TSXV
	Maple Peak Investments Inc.	TSXV

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company’s properties and on the responsibilities of directors.

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

Ethical Business Conduct

The Board finds that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Independent directors of the Company are not paid any fees. The non-independent directors of the Company, Messrs Habibi, Kalafatis, and Phillips are paid fees of \$16,787, \$5,036, and \$5,036 per month respectively. The directors were not compensated prior to January 1, 2018. For further details, see *Statement of Executive Compensation – Venture Issuer* below.

Other Board Committees

The Board has no committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its audit committee.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section "Named Executive Officer" ("NEO") means any individual who, during the Company's most recently completed financial year ended January 31, 2018 was:

- (a) the chief executive officer ("CEO") (or an individual who acted in a similar capacity) of the Company;
- (b) the chief financial officer ("CFO") (or an individual who acted in a similar capacity) of the Company;
- (c) each of the three other most highly compensated executive officers of the Company or any of its subsidiaries or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed C\$150,000); and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer nor a director of the Company or any of its subsidiaries, nor acting in a similar capacity, at the end of the Company's fiscal year ended January 31, 2018.

During the financial year ended January 31, 2018, based on the information above, the NEOs of the Company were: Sina Habibi, CEO and Denise Lok, CFO.

Director and NEO compensation

The following table sets forth all annual and long term compensation for services paid to or earned by each of the NEOs and directors during the Company's three most recent financial years ended January 31, 2018.

Table of compensation excluding compensation securities							
Name and Principal Position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sina Habibi ⁽²⁾ CEO and Director	2018	99,882	36,932	Nil	Nil	Nil	136,814
Denise Lok CFO and Corporate Secretary	2018	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Sawyer ⁽²⁾ Chief Operating Officer	2018	30,217	31,895	Nil	Nil	Nil	62,112
Christos Kalafatis ⁽²⁾⁽³⁾ Chief Medical Officer and Director	2018	32,735	15,108	Nil	Nil	Nil	47,843
Mark A. Phillips ⁽²⁾⁽⁴⁾ Chief Compliance Officer and Director	2018	30,217	15,108	Nil	Nil	Nil	45,325
David Velisek ⁽²⁾⁽⁵⁾ Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Kang ⁽²⁾⁽⁶⁾ Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
Seyed-Madhi Khaligh-Razavi Chief Scientific Officer	2018	32,735	15,108	Nil	Nil	Nil	47,843

Notes:

1. The Company was a private company in the financial years ended January 31, 2017 and 2016 and became a reporting company on March 2, 2018.
2. On January 1, 2018 the Board approved payment of management's fees of \$5,036 per month for Messrs Kalafatis, Khaligh-Razavi, Phillips and Sawyer and \$16,787 per month for Mr. Habibi. Mr. Habibi was appointed to the Board on December 21, 2017.
3. Mr. Kalafatis was appointed to the Board and as Chief Medical Officer on December 21, 2017.
4. Mr. Phillips was appointed to the Board and as Chief Compliance Officer on December 21, 2017.
5. Mr. Velisek was appointed to the Board on December 11, 2015.
6. Mr. Kang was appointed to the Board on December 21, 2017.

Stock Options and Other Compensation Securities

Summary of Stock Option Plan

On December 4, 2017, the shareholders approved a stock option plan (the "Option Plan"), under which the Board may from time to time in its discretion, grant to directors, officers, employees and consultants of the Company on transferable options to purchase Common Shares. As of the date of this Prospectus, Cognetivity has not granted stock options.

The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Pursuant to the Option Plan, the Company may issue Options for such period and exercise price as may be determined by the Board, and in any case not exceeding ten years from the date of grant. The Company may issue Options equal to not more than 10% of the then issued and outstanding Common Shares. The minimum exercise price of an option granted under the Option Plan must not be less than the fair market value of a Common Share on the date such option is granted, and if the Common Shares are listed on a recognized stock exchange, will be subject to the minimum exercise price permitted by such stock exchange.

Unless accelerated in accordance with the Option Plan, all options, whether vested or unvested, shall terminate immediately upon the Company terminating the optionee's employment or contractual relationship with the Company or any related company for cause. Options shall be terminated, to the extent not previously exercised, upon the occurrence of the first of the following events: (i) the expiration of the option as designated by the Board; (ii) in the case of termination of employment by the Company without cause, or the failure of a director standing for election to be re-elected, or the failure of the Company to renew a contract for services at the end of its terms (other than a contract or employment relating to Investor Relations Activities (as such term is defined in the policies of the CSE), the date which is 90 days after the date of termination; (iii) in the case of a termination of a contract or employment relating to Investor Relations Activities, the date which is 30 days from the date of termination; (iv) in case of the death of the optionee, the date which is one year after the death; and (v) in all other cases, the date of termination.

The foregoing summary of the Option Plan is not complete and is qualified in its entirety by reference to the Option Plan, which is available on the Company's SEDAR profile page at www.sedar.com.

As at May 21, 2019 there were 45,727,093 Common Shares issued and outstanding. Accordingly, under the Stock Option Plan the Company has the authority to grant options to purchase up to a total of 4,572,709 Common Shares. As at the date of this Information Circular, options to purchase an aggregate of 4,000,000 Common Shares were granted and outstanding.

Stock Option Grants

There were no stock options granted to any of the NEOs or directors of the Company during the financial year ended January 31, 2018.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended January 31, 2018.

Employment, consulting and management agreements

As at the year ended January 31, 2018, the Company had entered into the following appointment agreements:

Dr. Chris Kalafatis

On January 8, 2019, the Company entered into of an appointment agreement with Dr. Kalafatis, whereby Dr. Kalafatis was appointed Chief Medical Officer of the Company for a term of three years commencing

on January 1, 2018, unless terminated earlier by either party by providing the other three months' prior written notice.

Mark A. Phillips

On January 8, 2019, the Company entered into an appointment agreement with Mr. Phillips, whereby Mr. Phillips was appointed Chief Compliance Officer of the Company for a term of three years commencing on January 1, 2018, unless terminated earlier by either party by providing the other three months' prior written notice.

Dr. Sina Habibi

On January 8, 2019, the Company entered into an appointment agreement with Dr. Habibi, whereby Dr. Habibi was appointed Chief Executive Officer of the Company for a term of three years commencing on January 1, 2018, unless terminated earlier by either party by providing the other three months' prior written notice.

Dr. Seyed-Mahdi Khaligh-Razavi

On January 8, 2019, the Company entered into an appointment agreement with Dr. Khaligh-Razavi, whereby Dr. Khaligh-Razavi was appointed Chief Scientific Officer of the Company for a term of three years commencing on January 1, 2018, unless terminated earlier by either party by providing the other three months' prior written notice.

Dr. Thomas Sawyer

On January 8, 2019, the Company entered into appointment agreement with Dr. Sawyer, whereby Dr. Sawyer was appointed Chief Operating Officer of the Company for a term of three years commencing on January 1, 2018, unless terminated earlier by either party by providing the other three months' prior written notice.

Oversight and description of director and NEO compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a small junior resource company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO. The compensation of the Company's executives is determined by the Board after the recommendation of the CEO. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Executive Compensation

Except for the grant of incentive share options to the NEOs and any compensation payable pursuant to an executive compensation agreement between the CEO or CFO and the Company, there are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

The directors receive no cash compensation for acting in their capacity as directors of the Company.

Except for the grant to directors of share options, there are no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

Option-Based Awards

The Company has a stock option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. The Board administers the Company's share option plan and all option grants require Board approval. The Option Plan allows options to be issued to directors, officers, employees or consultants of the Company.

In compensating its senior management, the Company employs a combination of salary and equity participation. The Board is of the view that encouraging its executives and employees to hold shares of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation is accomplished through the Company's share option plan. See "Securities Authorized for Issuance under Equity Compensation Plans" above.

Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO.

Due to the Company’s limited financial resources, option grants are an important part of executive compensation to assist in maintaining executive motivation.

Given the evolving nature of the Company’s business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Actions, Decisions and Policies Made following January 31, 2018 Financial Year End

On March 19, 2018, the Company granted 3,000,000 stock options to directors and officers of the Company. The stock options are exercisable at \$0.25 and expire on March 19, 2023.

Pension Plan

The Company does not have a pension plan for any of its Directors or NEOs.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

See disclosure under “*Stock Options and Other Compensation Securities*” under “*Statement of Executive Compensation*” above for disclosure on the Company’s equity compensation regime.

The following table sets out equity compensation plan information as at the end of the financial year ended January 31, 2018, when there were 24,777,022 Common Shares outstanding. Accordingly, there was an aggregate maximum of 2,477,702 Common Shares available for exercise of Options pursuant to the Option Plan.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Plan)	Nil	N/A	2,477,702
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	2,477,702

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company or have any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended January 31, 2018, or has any interest in any material transaction in the current year or as of the date hereof other than as set out below.

On December 21, 2017, the Company acquired all the issued and outstanding common shares of Cognetivity Ltd. (the “**Transaction**”). Cognetivity Ltd. is in the business of developing a platform technology comprising of a visual stimulus based diagnostic test and artificial intelligence tools to support the early detection and monitoring of cognitive impairment in neurodegenerative diseases, with initial emphasis on dementia in Alzheimer’s disease and mild cognitive impairment.

Pursuant to the Transaction, the following directors received the following common shares and preferred shares of the Company in exchange for their common shares of Cognetivity Ltd.:

- Sina Habibi received 5,330,769 Common Shares and 2,665,385 Preferred Shares;
- Mark Phillips received 543,956 Common Shares and 271,978 Preferred Shares;
- Christos Kalafatis – 435,165 Common Shares and 217,582 Preferred Shares;
- Seyed Madhi Khaligh Razavi – 4,134,066 Common Shares and 2,067,033 Preferred Shares;
- Thomas Sawyer – 435,165 Common Shares and 217,582 Preferred Shares.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of a Restricted Share Unit Plan

On May 22, 2019, the Company approved the implementation of a “rolling” restricted share unit plan (the “**RSU Plan**”), which RSU Plan is designed to provide certain directors, officers, consultants and other key employees (an “**Eligible Person**”) of the Company and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person’s interests with that of the Shareholders. Following approval of the RSU Plan, the Board will appoint a committee to be responsible for administering the RSU Plan. Capitalized terms used but not defined have the meanings ascribed to them in the RSU Plan, a copy has been attached hereto as Schedule “B” to this Circular.

The RSU Plan allows the Company to grant RSUs awarding up to a maximum number of Shares that shall not exceed 10% of the Shares issued and outstanding from time to time, under and subject to the terms and conditions of the RSU Plan, which RSUs may be exercised by any holder of RSUs to receive an Award Payout of either: (a) one Common Share of the Company for each whole vested RSU; or (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested RSU. Fractional Shares will not be issued pursuant to the RSU Plan; instead, such Recipient entitled to a fractional Share is entitled to receive payment from the Company of cash value equal to the Vesting Date Value of such fractional Share.

The following summary assumes that the RSU Plan will be approved by the Shareholders at the Meeting and is subject to the specific provision of the RSU Plan

Benefits of the RSU Plan

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants and other key employees of the Company. RSUs provide the Company with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants and employees.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under the RSU Plan and other amounts and values to be determined hereunder or in respect of the RSU Plan including, without limitation, those related to a particular fair market value.

Nature and Administration of the RSU Plan

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the RSU Plan (as “**Recipients**”), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Recipients in the RSU Plan. Eligibility to participate as a Recipient in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

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

Each award of RSUs vests on the date (each a “**Vesting Date**”) that is the later of the Trigger Date (as defined in the RSU Plan) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.

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

RSUs Granted Prior to Shareholder Approval of the RSU Plan

The Company must obtain disinterested shareholder approval to any and all RSUs granted by the Company prior to shareholder approval of the RSU Plan. As at May 22, 2019 there were no RSUs granted and outstanding under the RSU Plan.

Credit for Dividends

A Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Recipient's account is computed by multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the Recipient’s account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value. Note that the Company is not obligated to pay dividends on Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Recipient's employment or service is terminated, or if the Recipient resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the Recipient are forfeited, cancelled and terminated without payment.

In the event a Recipient is terminated without cause, unvested RSUs will immediately vest on the date of termination. If a Recipient's employment or service is terminated (otherwise than without cause), or the Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs are automatically cancelled without compensation.

Control Change

In the event of a Change of Control, all RSUs credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the RSU Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control

Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Adjustments

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

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then September 1 of the third calendar year following the date of the grant (the “**Trigger Date**”), and the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless Shareholder Approval is obtained, or unless permitted otherwise by the rules of the Stock Exchange:

- a. the maximum number of Shares which may be reserved for issuance to Related Persons (as a group) under the RSU Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;
- b. the maximum number of RSUs that may be granted to Related Persons (as a group) under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;
- c. the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;
- d. the maximum number of RSUs that may be granted to a Consultant, within a 12-month period, may not result in a number of RSUs exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the CSE; and
- e. grants of RSUs under the RSU Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares, within a 12-month period.

Shareholder Approval of Adoption of the RSU Plan

Approval of the resolution to ratify, confirm and approve the RSU Plan (the “**RSU Plan Shareholder Resolution**”) must be confirmed by a simple majority of the votes cast by Shareholders voting in person or by proxy at the Meeting. **The Board recommends that Shareholders vote in favour of the resolution to approve the RSU Plan.**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to ratify, confirm and approve adoption of the RSU Plan:

“RESOLVED that:

- 1. subject to all required regulatory approvals, including the approval of the Canadian Securities Exchange (the “CSE”) and the required shareholder approvals, the RSU Plan be and is hereby approved, and the RSU Plan be forthwith adopted and implemented by the Company, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer of the Company deems necessary or desirable;**
- 2. the Board, or a Committee to be determined by the Board, be and is hereby appointed to be the Administrator under the RSU Plan, such appointment to be effective until revoked by resolution of the Board;**
- 3. the Company be and is hereby authorized to grant RSUs under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum number Shares that shall not exceed 10% of the Shares issued and outstanding, from time to time;**
- 4. the RSU Plan Administrator be and is hereby authorized and directed to execute on behalf of the Company, the form of restricted share unit agreement attached as Schedule “A” to the RSU Plan, providing for the grant of RSUs to Eligible Persons under the RSU Plan; and**
- 5. the Company be and is hereby authorized to allot and issue as fully paid and non-assessable that number of Shares specified in the restricted share unit agreement of RSUs granted to Eligible Persons; AND THAT any two authorized persons of the Company be authorized to execute such treasury order or treasury orders as may be necessary to effect said Share issuance.”**

The RSU Plan must be approved by at least a majority of the votes cast at the Meeting by Shareholders who vote in respect of the approval of the RSU Plan (present in person or represented by proxy).

The Board unanimously recommends that the Shareholders approve the RSU Plan by voting FOR this resolution at the Meeting.

A copy of the RSU Plan is attached as Schedule “B” to this Information Circular.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESTRICTED SHARE UNIT PLAN, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the years ended January 31, 2018, 2017 and 2016 and in the related management, discussion and analysis filed on SEDAR at www.sedar.com and will be available at the Meeting.

Additional information relating to the Company is available as filed on www.sedar.com and upon request from the Company’s Secretary at Suite 1980, 1075 West Georgia Street, Vancouver, BC, V6E 3C9, Tel: (604) 688-9588, or Fax: (604) 778-329-9361 or at info@cognetivity.com. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a

reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

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

APPROVED by the Board at Vancouver, British Columbia, this 21st day of May, 2019.

BY ORDER OF THE BOARD

“Sina Habibi”

Sina Habibi
Chief Executive Officer

SCHEDULE A

AUDIT COMMITTEE CHARTER

I. Purpose

The main objective of the Audit Committee is to act as a liaison between the Board and the Company's independent auditors (the "Auditors") and to assist the Board in fulfilling its oversight responsibilities with respect to the financial statements and other financial information provided by the Company to its shareholders and others.

II. Organization

The Committee shall consist of three or more Directors and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange requests and any other regulatory requirements applicable to the Audit Committee of the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a Director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Responsibilities

- 1) The Committee shall recommend to the Board:
 - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - b) the compensation of the external auditor.
- 2) The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- 3) The Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.
- 4) The Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- 5) The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (4), and must periodically assess the adequacy of those procedures.
- 6) The Committee must establish procedures for:
 - a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 7) An audit committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

V. Authority

The Committee shall have the following authority:

- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) to set and pay the compensation for any advisors employed by the Committee, and
- c) to communicate directly with the external auditors.

SCHEDULE B

RESTRICTED SHARE UNIT PLAN

PART 1

GENERAL PROVISIONS

Establishment and Purpose

1.1 The Company hereby establishes a restricted share unit plan known as the “Cognetivity Neurosciences Ltd. Restricted Share Unit Plan”.

1.2 The purpose of this Plan (defined below) is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

Definitions

1.3 In this Plan:

Affiliate means a Company that is affiliated with another company. A Company is an “Affiliate” of another Company if:

- (i) one of them is the subsidiary of the other, or
- (ii) each of them is controlled by the same Person;
 - (a) **Applicable Withholding Tax** has the meaning set forth in §3.7;
 - (b) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
 - (c) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
 - (d) **Blackout Period** means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Share Unit;
 - (e) **Board** means the board of directors of the Company;
 - (f) **Change of Control** means:
 - (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those

securities immediately prior to such transaction and the composition of the Board following such transaction is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;

- (ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company and other than by any or its Affiliates) involving a change in the beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any or its Affiliates);
- (iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company; and
- (v) a complete liquidation or dissolution of the Company;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

(g) **Committee** means the Board or, if the Board so determines in accordance with §1.5, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;

(h) **Company** means Cognetivity Neurosciences Ltd., and includes any successor company thereto;

Consultant means an individual who:

- (iii) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the *Securities Act*);
- (iv) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined below);
- (v) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and

- (vi) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,
- (vii) and includes:
 - (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
 - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) **CSE** means the Canadian Securities Exchange;
- (j) **Director** means a member of the Board or of the board of directors of a Related Entity;
- (k) **Eligible Person** means any person who is a Director, Employee, Officer or Consultant;
- (l) **Employee** means an employee of the Company or of a Related Entity;
- (m) **Expiry Date** means September 30 of the third calendar year after the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
- (n) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
 - (i) if the Shares are listed on the CSE, the greater of: (i) the weighted average of the trading price per Share on the CSE for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
 - (ii) if the Shares are not listed on the CSE, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
 - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (o) **Grant Date** means the date of grant of any Restricted Share Unit;
- (p) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;

- (q) **Merger and Acquisition Transaction** means:
- (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization;
- (r) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (s) **Person** means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;
- (t) **Plan** means this Cognetivity Neurosciences Ltd. Restricted Share Unit Plan, as amended from time to time;
- (u) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (v) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
- (i) ownership of or direction over voting securities in the second person,
 - (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second person, or
 - (iv) being a trustee of the second person;

Related Person means:

- (viii) a Related Entity of the Company;
- (ix) a partner, director or officer of the Company or Related Entity;
- (x) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; and
- (xi) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity;

- (w) **Required Approvals** has the meaning contained in §1.7;
- (x) **Restricted Period** means the period of time: (i) during a Black Out Period; and (ii) within five Business Days following the end of a Black Out Period;
- (y) **Restricted Share Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in §3.1;
- (z) **Retirement** means, with respect to a Recipient, the early or normal retirement of the Recipient within the meaning of the pension plan of the Company for salaried employees, whether or not such Recipient is a member of that pension plan, or, if the Company does not have such a plan, the date on which the Recipient reaches age 65;
- (aa) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (bb) **Share** means a common share in the capital of the Company as from time to time constituted;
- (cc) **Share Compensation Arrangement** means any share option, share option plan, employee Share purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;
- (dd) **Shareholder Approval** means approval by the shareholders of the Company shareholders;
- (ee) **Stock Exchange** means the CSE, or any other stock exchange on which the Shares are then listed for trading, as applicable;
- (ff) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of Retirement, and has ceased to fulfill any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;
- (gg) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Company, the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform;
- (hh) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then September 1 of the third calendar year following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with §2.6; and
- (ii) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

Administration

1.4 The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws,

- (a) interpret and administer this Plan,
- (b) establish, amend and rescind any rules and regulations relating to this Plan, and
- (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

(xii) The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

Delegation to Committee

1.5 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, any compensation committee of the Board, without limiting the generality of the foregoing, those referred to under §1.4.

Incorporation of Terms of Plan

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

Effective Date

1.7 This Plan will be effective on **May 22, 2019**. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary Shareholder Approval of the Company, the CSE, and any other regulatory bodies (the “**Required Approvals**”).

Shares Reserved

1.8 The Company shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of Restricted Share Units granted under this Plan.

1.9 The maximum number of Shares made available for issuance pursuant to the Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Shares issued and outstanding from time to time, subject to adjustments as provided in the Plan.

The Plan shall be a “rolling plan” and therefore when Restricted Share Units are cancelled (whether or not upon payment with respect to vested Restricted Share Units) or terminated, Shares shall automatically be available for issuance pursuant to the Plan.

Limitations on Restricted Share Units to any One Person and to Related Persons

1.10 Unless Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares which may be reserved for issuance to Related Persons (as a group) under the Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;
- (b) the maximum number of Restricted Share Units that may be granted to Related Persons (as a group) under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date;
- (c) subject to §1.11(e), the maximum number of Restricted Share Units that may be granted to any one Eligible Person under the Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;
- (d) subject to §1.11(e), the maximum number of Restricted Share Units that may be granted to a Consultant, within a 12-month period, may not result in a number of Restricted Share Units exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the CSE; and
- (e) grants of Restricted Share Units under the Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares, within a 12-month period.

PART 2

AWARDS UNDER THIS PLAN

Recipients

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

Grant

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to §2.4(b)(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

Performance Conditions

2.3 At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of

any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Grantee or to different Grantees.

Vesting

2.4 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the “**Vesting Date**”) that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied,

provided that

- (i) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
- (ii) if the date in §2.4(a) or §2.4(b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and
- (iii) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit.

Forfeiture and Cancellation upon Expiry Date

2.5 Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

Amendment of Trigger Date

2.6 The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

Account

2.7 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient’s account will be sent by the Company to the Recipient upon request of the Recipient.

Dividend Equivalents

2.8 On any date on which a cash dividend is paid on Shares, a Recipient’s account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by

- (a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and
- (b) dividing the amount obtained in §2.8(a) by the Fair Market Value on the date on which the dividend is paid.

Adjustments and Reorganizations

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

Notice and Acknowledgement

2.10 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

PART 3

PAYMENTS UNDER THIS PLAN

Payment of Restricted Share Units

3.1 Subject to the terms of this Plan and, in particular, §3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Company shall pay to such Recipient, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non-assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

Limitation on Issuance of Shares to Related Persons

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Related Person of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Related Persons, or when combined with all other Shares issuable to Related Persons under any other equity compensation

arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and

(b) the total number of Shares that may be issued to Related Persons during any one year period under this Plan, or when combined with all other Shares issued to Related Persons under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non diluted basis.

(xiii) Where the Company is precluded by this §3.2 from issuing Shares to a Related Person of the Company, the Company will pay to the relevant Related Person a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

Experts and Advisors

3.3 The Board may engage such experts (“**Experts**”) and advisors as it considers appropriate, including compensation or human resources experts or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

Cancellation on Termination for Cause, Retirement or Voluntary Resignation

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, Retirement of the Recipient or the voluntary resignation by the Recipient. In situations where the Board exercises its discretion under this §3.4, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Total Disability, Death and Termination without Cause

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person:

- (a) death or Total Disability of a Recipient;
- (b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (c) the Termination of employment by the Recipient other than by way of Retirement of the Recipient or voluntary resignation by the Recipient.

(xiv) In situations where the Board exercises its discretion under this §3.5, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

Change of Control

3.6 In the event of a Change of Control, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on

the date on which the Change of Control occurs (the “**Change of Control Date**”). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the Participant shall receive a cash payment equal in amount to: (a) the number of Restricted Share Units that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Company.

Tax Matters and Applicable Withholding Tax

3.7 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Share Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

PART 4

MISCELLANEOUS

Compliance with Applicable Laws

4.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

Awards to Related Persons

4.2 All Awards issued to Related Persons will include a legend stipulating that the Award is subject to a four-month hold period commencing the Grant Date.

Non-Transferability

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

No Right to Service

4.4 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of

the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

Successors and Assigns

4.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

Plan Amendment

4.6 Subject to any necessary approvals of the CSE, the Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan.

Plan Termination

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

Governing Law

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

Reorganization of the Company

4.9 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

No Shareholder Rights

4.10 Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

No Other Benefit

4.11 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

Unfunded Plan

4.12 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

SCHEDULE "A"

FORM OF RESTRICTED SHARE UNIT AGREEMENT

Cogentivity Neurosciences Ltd. (the "**Company**") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("**Units**") described in the table below pursuant to the Company's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Recipient.

No. of Units	Trigger Date	Expiry Date

[include any specific/additional vesting period or Performance Conditions]

Any certificate for the Units so acquired may bear a minimum four month non-transferability legend from the date of this Agreement, the text of which is as follows:

"Unless permitted under securities legislation, the holder of this security must not trade the security before *[insert date that is four months and one day from the date of issuance]*."

The Company and the undersigned Recipient hereby confirm that the undersigned Recipient is a bona fide Employee or Consultant as the case may be.

DATED _____, 20____.

COGNETIVITY NEUROSCIENCES LTD.

Per: _____
Authorized Signatory

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

DATED _____, 20____.

Witness (Signature)

Name (please print)

Address

City, Province

Occupation

Recipient's Signature

Name of Recipient (print)