



**ALPHA COGNITION INC.**  
 (the “Company”)  
 c/o 1200 – 750 West Pender Street  
 Vancouver, BC V6C 2T8  
 Tel: 1-858-344-4375

**Form 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION**  
**(for the financial year ended December 31, 2023)**

For the purposes of this statement of executive compensation:

“CEO” means the Company’s chief executive officer;

“CFO” means the Company’s chief financial officer;

“Named Executive Officer” or “NEO” means:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at December 31, 2023, the end of the most recently completed financial period of the Company, the Company had three (3) NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

**Director and Named Executive Officer Compensation**

The following table is a summary of compensation awarded to, earned by, paid to, or payable to the NEO and directors of the Company for the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended December 31	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Michael McFadden <sup>(1)</sup> <i>CEO and Director</i>	2023	500,000 <sup>(1)</sup>	125,000	Nil	Nil	30,186 <sup>(3)</sup>	655,186
	2022	500,000 <sup>(2)</sup>	Nil	Nil	Nil	28,551 <sup>(3)</sup>	528,551
Donald Kalkofen <sup>(4)</sup> <i>CFO</i>	2023	420,000 <sup>(5)</sup>	76,364	Nil	Nil	49,735 <sup>(3)</sup>	546,099
	2022	305,455 <sup>(5)</sup>	Nil	Nil	Nil	16,350 <sup>(3)</sup>	321,805

Table of compensation excluding compensation securities							
Name and position	Year Ended December 31	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
<b>Kenneth Cawkell<sup>(6)</sup></b> <i>Corporate Secretary and Director</i>	2023	97,230	Nil	Nil	Nil	Nil	97,230
	2022	230,063	Nil	Nil	Nil	Nil	230,063
<b>Lauren D'Angelo</b> <i>Chief Operating Officer</i>	2023	359,712	76,364	Nil	Nil	30,186 <sup>(3)</sup>	479,826
	2022	359,712 <sup>(7)</sup>	Nil	Nil	Nil	25,551 <sup>(3)</sup>	385,263
<b>Len Mertz</b> <i>Chairman and Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Havens</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Phillip Mertz</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Rob Bakshi</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jeremy Wright<sup>(8)</sup></b> <i>Former CFO</i>	2023	n/a	n/a	n/a	n/a	n/a	n/a
	2022	140,409	Nil	Nil	Nil	Nil	140,409
<b>Denis Kay<sup>(9)</sup></b> <i>Former Chief Scientific Officer</i>	2023	n/a	n/a	n/a	n/a	n/a	n/a
	2022	180,000	Nil	Nil	Nil	Nil	180,000
<b>Cedric O'Gorman<sup>(10)</sup></b> <i>Former Chief Medical Officer</i>	2023	8,333	Nil	Nil	Nil	1,847	10,180
	2022	400,000	Nil	Nil	Nil	21,623 <sup>(3)</sup>	421,623

**Notes:**

- (1) Mr. McFadden was appointed as CEO of the Company effective as of April 12, 2021 and as a director of the Company effective as of March 28, 2022. Mr. McFadden received compensation for acting as the CEO of the Company.
- (2) Includes \$72,917 in deferred compensation paid February 16, 2023.
- (3) Healthcare benefit.
- (4) Mr. Kalkofen was appointed as CFO of the Company effective as of April 11, 2022. Mr. Kalkofen received compensation for acting as the CFO of the Company.
- (5) Includes \$61,250 in deferred compensation paid February 16, 2023.
- (6) Mr. Cawkell was appointed as a director of the Company effective as of March 18, 2021. Mr. Cawkell received compensation for acting as the Corporate Secretary of the Company.
- (7) Includes \$46,840 in deferred compensation paid February 16, 2023.

- (8) Mr. Wright was appointed as the part-time CFO of the Company on August 5, 2020 and became the full-time CFO on October 5, 2020. Mr. Wright ceased to act as CFO and NEO of the Company effective as of April 11, 2022.
- (9) Mr. Kay was appointed as the Chief Scientific Officer effective as of March 18, 2021. Mr. Kay ceased to act as Chief Scientific Officer and NEO of the Company effective as of July 19, 2022.
- (10) Mr. O’Gorman was appointed as the Chief Medical Officer effective as of November 30, 2021. Mr. O’Gorman ceased to act as Chief Medical Officer of the Company effective as of January 1, 2023, following his departure he is no longer an NEO.

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company, and outstanding compensation securities held by each director and NEO.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Michael McFadden<sup>(1)</sup></b> <i>CEO and Director</i>	Options	2,000,000 <sup>(2)(13)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	August 3, 2031
	Options	6,000,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Donald Kalkofen<sup>(4)</sup></b> <i>CFO</i>	Options	450,000 <sup>(5)(14)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	April 11, 2032
	Options	4,250,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Kenneth Cawkell<sup>(6)</sup></b> <i>Corporate Secretary and Director</i>	Options	330,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Lauren D’Angelo<sup>(7)</sup></b> <i>Chief Operating Officer</i>	Options	150,000 <sup>(5)(15)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	February 14, 2032
	Options	600,000 <sup>(2)(15)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	August 3, 2031
	Options	3,950,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Len Mertz<sup>(8)</sup></b> <i>Chairman and Director</i>	Options	100,000 <sup>(2)(16)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	May 31, 2032
	Options	300,000 <sup>(9)(16)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	December 20, 2031
	Options	500,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>John Havens<sup>(10)</sup></b> <i>Director</i>	Options	100,000 <sup>(2)(17)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	May 31, 2032
	Options	240,000 <sup>(9)(17)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	December 20, 2031
	Options	400,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Phillip Mertz<sup>(11)</sup></b> <i>Director</i>	Options	100,000 <sup>(2)(18)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	May 31, 2032
	Options	200,000 <sup>(9)(18)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	December 20, 2031
	Options	330,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033
<b>Rob Bakshi<sup>(12)</sup></b> <i>Director</i>	Options	100,000 <sup>(2)(19)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	May 31, 2032
	Options	200,000 <sup>(9)(19)</sup>	January 18, 2023	\$0.28	\$0.28	\$0.66	December 20, 2031
	Options	330,000 <sup>(3)</sup>	June 8, 2023	\$0.22	\$0.245	\$0.66	June 8, 2033

**Notes:**

- (1) Mr. McFadden held a total of 8,000,000 compensation securities as of the last day of the most recently completed financial year, of which 3,120,658 options have vested. Mr. McFadden has also earned 1,639,148 of the total available 8,195,740 bonus rights.
- (2) Options vest equally over 18 months, commencing on January 31, 2023.
- (3) 12.5% of the total number of options granted will vest immediately on the grant date with the remaining balance of the number of options vesting monthly over the following 32 months, with first full vesting June 30, 2023 and final vesting January 30, 2026.
- (4) Mr. Kalkofen held a total of 4,448,899 compensation securities as of the last day of the most recently completed financial year, of which 1,299,876 options have vested.
- (5) Options vest equally over 24 months, commencing on January 31, 2023.
- (6) Mr. Cawkell held a total of 3,821,057 compensation securities as of the last day of the most recently completed financial year (comprised of 330,000 options and 3,491,057 Performance Shares), of which 104,415 options and 3,491,057 Performance Shares have vested.
- (7) Ms. D'Angelo held a total of 4,700,000 compensation securities as of the last day of the most recently completed financial year, of which 1,685,223 options have vested. Ms. D'Angelo has also earned 737,616 of the total available 746,005 bonus rights.
- (8) Mr. L. Mertz held a total of 900,000 compensation securities as of the last day of the most recently completed financial year, of which 519,314 options have vested.
- (9) Options vest equally over 8 months, commencing on January 31, 2023.
- (10) Mr. Havens held a total of 740,000 compensation securities as of the last day of the most recently completed financial year, of which 427,674 options have vested.
- (11) Mr. P. Mertz held a total of 630,000 compensation securities as of the last day of the most recently completed financial year, of which 365,526 options have vested.
- (12) Mr. Bakshi held a total of 630,000 compensation securities as of the last day of the most recently completed financial year, of which 365,526 options have vested.

- (13) In January 2023, the Company canceled 2,000,000 outstanding stock options with an exercise price of CAD\$0.90 and issued 2,000,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (14) In January 2023, the Company canceled 450,000 outstanding stock options with an exercise price of CAD\$0.93 and issued 450,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (15) In January 2023, the Company canceled 600,000 outstanding stock options with an exercise price of CAD\$0.90 and issued 600,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged. In addition, in January 2023, the Company canceled 150,000 outstanding stock options with an exercise price of CAD\$1.05 and issued 150,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (16) In January 2023, the Company canceled 100,000 outstanding stock options with an exercise price of CAD\$0.64 and issued 100,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged. In addition, in January 2023, the Company canceled 150,000 outstanding stock options with an exercise price of CAD\$1.12 and issued 150,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (17) In January 2023, the Company canceled 100,000 outstanding stock options with an exercise price of CAD\$0.64 and issued 100,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged. In addition, in January 2023, the Company canceled 240,000 outstanding stock options with an exercise price of CAD\$1.12 and issued 240,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (18) In January 2023, the Company canceled 100,000 outstanding stock options with an exercise price of CAD\$0.64 and issued 100,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged. In addition, in January 2023, the Company canceled 200,000 outstanding stock options with an exercise price of CAD\$1.12 and issued 200,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.
- (19) In January 2023, the Company canceled 100,000 outstanding stock options with an exercise price of CAD\$0.64 and issued 100,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged. In addition, in January 2023, the Company canceled 200,000 outstanding stock options with an exercise price of CAD\$1.12 and issued 200,000 new options with an exercise price of CAD\$0.28 with new vesting terms of equal monthly instalments until July 31, 2024. The expiry dates remained unchanged.

The following table discloses compensation securities exercised by directors or NEOs during the Company's most recently completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of grant (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Donald Kalkofen CFO	Options	251,101	\$0.22	December 19, 2023	\$0.62	\$0.40	\$100,440.40

## Stock option plans and other incentive plans

The Company currently has three forms of incentive plans for its directors, officers, employees and consultants, being: (i) option-based awards pursuant to the 2023 stock option plan (the “**2023 Plan**”); (ii) non-equity based awards in the form of cash bonuses, pursuant to the Company’s cash bonus policy (the “**Cash Bonus Policy**”); and (iii) cash-settled share-based payment awards pursuant to the Company’s bonus rights plan (the “**Bonus Rights Plan**”).

The Company also has two incentive plans that are closed to new grants, as described below, being: (i) option-based awards pursuant to the legacy compensation plan (the “**Legacy Compensation Plan**”); and option-based awards pursuant to the 2022 stock option plan (the “**2022 Plan**”).

### **2023 Stock Option Plan**

The 2023 Plan was previously adopted by the board of directors of the Company (the “**Board**”) on April 13, 2023 and approved by shareholders on June 27, 2023. The purpose of the 2023 Plan is to provide an incentive to directors, senior officers, employees or consultants of the Company or any of its subsidiaries, to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the material terms of the 2023 Plan does not purport to be complete and is qualified in its entirety by reference to the 2023 Plan:

Eligible Participants. Options may be granted under the 2023 Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors and Officers**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company, its subsidiaries, or its subsidiaries of subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors and Officers, Employees or Consultants will be awarded options under the 2023 Plan.

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the 2023 Plan may not exceed 20% of the issued and outstanding common shares at the date of granting of options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the 2023 Plan.

Exercise Price. The exercise price of options granted under the 2023 Plan will be determined by the Board at the time of grant, subject to the following:

- (a) if the common shares are listed on the Canadian Securities Exchange (the “**CSE**”), the exercise price will not be lower than the greater of the last closing price for the common shares as quoted on the CSE: (i) on the trading day prior to the date of grant; and (ii) the date of grant; or
- (b) if the common shares are not listed on a stock exchange, the price will be determined solely by the Board.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the 2023 Plan is determined by the Board and may not exceed ten (10) years from the date of grant.

Vesting. All options granted pursuant to the 2023 Plan will be subject to such vesting requirements as may be imposed by the Board. In the event of a Change of Control, as defined in the 2023 Plan, all unvested options will vest immediately.

Termination. Any options granted pursuant to the 2023 Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause;  
or

- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Exercise of Options. The exercise price of an option must be paid in cash, other than as described below as determined by the Board:

- (a) Cashless Exercise (“Cashless Exercise”). The Company may make an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to an optionee to purchase the common shares issuable upon exercise of their options. The brokerage firm then sells a sufficient number of common shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm receives an equivalent number of common shares from the exercise of the options and the optionee then receives the balance of the common shares or the cash proceeds from the balance of such common shares.
- (b) Net Exercise (“Net Exercise”). The Company may accept the exercise of options without the optionee making any cash payment so the Company does not receive any cash from the exercise of the subject options, and instead the optionee receives only the number of common shares that is the equal to the quotient obtained by dividing:
- (i) the product of the number of options being exercised multiplied by the difference between the volume weighted average price (“VWAP”) of the common shares and the exercise price of the options; by
- (ii) the VWAP of the common shares.

In the event of a Cashless Exercise or Net Exercise, the number of options exercised, surrendered or converted, and not the number of common shares actually issued by the Company, must be included in calculating the limits set forth in Section 5(a) of the 2023 Plan.

The 2023 Plan also contains provisions permitting the Company to issue options that qualify as “Incentive Stock Options” under Section 422 of the U.S. Internal Revenue Code of 1986, as amended.

### ***Cash Bonus Policy***

The Company maintains a Cash Bonus Policy. The Board and the compensation committee of the Company (the “**Compensation Committee**”) administer the Cash Bonus Policy and may grant discretionary cash bonuses to eligible participants.

### ***Bonus Rights Plan***

The Company implemented its Bonus Rights Plan as a cash incentive program that is formula-based and measured against pre-determined performance targets, including financial and individual performance measures. The Board administers the Bonus Rights Plan and may grant bonus rights to eligible participants. The grant is conditional on the eligible participant executing a grant agreement (a “**Grant Agreement**”) and such ancillary documents as the Board may determine to be appropriate. Each Grant Agreement evidencing an award of bonus rights will set forth: (i) the grant date; (ii) the number of bonus rights; (iii) the grant price; (iv) any vesting conditions and vesting dates; (v) the applicable settlement date; and (vi) the applicable expiry date, and may specify such other terms and conditions consistent with the terms of the Bonus Rights Plan as the Board determines. In all cases, bonus rights will be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a participant in respect of his or her services to the Company.

These bonus rights are cash-settled share-based payment awards recognized over the vesting period and are revalued at each reporting date with the amount recognized included in management fees and salaries on the Company’s consolidated statement of loss and comprehensive loss.

On the settlement date (as specified in the Grant Agreement and which may not be later than the expiry date) the participant will receive, with respect to each vested bonus right, an amount (the “**Settlement Amount**”) equal to (and without any interest thereon) the excess, if any, of (x) the Fair Market Value of a Common Share on the vesting date over (y) the applicable grant price. The Settlement Amount will be paid in the form of a lump-sum cash payment (net of applicable withholding taxes). Upon settlement of such bonus rights, the corresponding number of bonus rights credited to the participant’s bonus right account will be cancelled and the participant will have no further rights, title or interest with respect thereto.

The Bonus Rights Plan is not subject to shareholder approval.

***Legacy Compensation Plan***

Prior to the completion of the Company's qualifying transaction on March 18, 2021 (the "**Qualifying Transaction**"), the Company's subsidiary, Alpha Cognition Canada Inc. ("**Alpha Canada**"), issued performance shares to certain officers and employees of Alpha Canada in lieu of salaries, with vesting subject to performance milestones, pursuant to Alpha Canada's Legacy Compensation Plan. Upon completion of the Qualifying Transaction each performance share of Alpha Canada issued pursuant to the Legacy Compensation Plan was assumed by the Company and issued as a performance share of the Company (the "**Performance Shares**") with the same exercise price and term to expiry as the Alpha Canada performance shares so assumed.

On September 2, 2020, Alpha Canada declared the Legacy Compensation Plan closed to new grants. The Performance Shares continue to be governed by the Legacy Compensation Plan, including any vesting terms of the Performance Shares.

The following is a summary of the material terms of the Legacy Compensation Plan and the vesting provisions of the Performance Shares:

Administration. The Legacy Compensation Plan is administered by the board of directors of Alpha Canada, who, subject to the provisions of the Legacy Compensation Plan, may establish from time to time such rules and regulations, make such determinations and to take such steps in connection with the Legacy Compensation Plan as in the opinion of the board of directors of Alpha Canada are necessary or desirable for the proper administration of the Legacy Compensation Plan. No further grants may be made pursuant to the Legacy Compensation Plan.

Transferability. The Performance Shares are non-assignable and non-transferable.

Termination. Each Performance Share granted pursuant to the Legacy Compensation Plan will expire automatically on the earlier of:

- (a) the date on which such Performance Share is exercised;
- (b) the expiry date of such Performance Share as determined by the board of directors;
- (c) subject to sub-paragraph (f), after one year, or such longer period as the board of directors of Alpha Canada may determine from time to time, from the date on which the recipient of the Performance Share is no longer a director of Alpha Canada or an affiliate of Alpha Canada;
- (d) the date not less than 90 days nor more than one year, as is determined by the board of directors of Alpha Canada at the time the Performance Share is granted, from the date of retirement or termination of employment, other than for just cause, of a holder who is an employee, officer or consultant of Alpha Canada or an affiliate of Alpha Canada, and provided further that the agreement respecting such Performance Share:
  - (i) may permit the holder to apply to the board of directors of Alpha Canada, at any time during the term of the Performance Share and prior to expiry, to extend the expiry date up to but not beyond one year following the date of retirement or termination; and
  - (ii) may further provide for a longer term as determined by the board of directors of Alpha Canada at the time of the grant, where the retirement or termination occurs within such period of time following a change of control as is determined by the board of directors of Alpha Canada in each case, provided that such change of control period shall not extend beyond one year following the date of retirement or termination;
- (e) where the holder's position as an employee, officer, consultant or director of Alpha Canada or an affiliate of Alpha Canada is removed or terminated for just cause, the date of such termination for just cause; or
- (f) where the holder ceases to be an employee, officer, consultant or director of Alpha Canada by reason of the death or disability of such holder, one year following the date of the death or the date of termination by reason of disability of such holder.



Vesting. An aggregate of 420,000 Performance Shares remain subject to vesting upon the following criteria having been met:

1. filing of an IND with the FDA for Alpha-0602, or the filing of an IND-equivalent in a regulated jurisdiction other than the United States;
2. filing of a second IND with the FDA, or the filing of a second IND-equivalent in a jurisdiction other than the United States; and
3. grant of the first Orphan Drug Designation for Alpha-602. Orphan Drug Designation is a program that provides orphan status to drugs and biologics which are defined as those intended for the treatment, prevention or diagnosis of a rare disease or condition, which is one that affects less than 200,000 persons in the United States or meets cost recovery provisions of the *Orphan Drug Act* (United States).

Any unvested Performance Shares will vest in the percentages identified in the September 1, 2018, and June 1 2019 Option Grant Scaling formulas in the event the Company experiences a Value Transaction defined as a M&A, financing transaction or alternatively a sale or license of the Company's assets. For example, 100% of the unvested Performance Shares would vest if the actual or implied value of the transaction was \$130 million or greater.

Notwithstanding the above, any unvested Performance Shares will immediately vest in full upon a change of control, being an occurrence when either a person becomes a control person, or a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Board. In addition, any unvested Performance Shares will immediately vest in full upon termination of the Performance Shares by Alpha Canada without just cause or by the optionee with good reason.

### ***2022 Stock Option Plan***

The 2022 stock option plan (the "**2022 Plan**") was previously adopted by the board and approved by shareholders on July 19, 2022, and pursuant to which incentive stock options were granted to certain Directors and Officers, Employees and Consultants (the "**2022 Options**"). In connection with listing its common shares on the CSE, the Company adopted the 2023 Plan and determined that the 2022 Plan be closed to new grants. The outstanding 2022 Options issued prior to the adoption of the 2023 Plan are not included in the maximum number of stock options available for grant pursuant to the 2023 Plan and are not subject to the terms of the 2023 Plan, and such outstanding 2022 Options are governed by the 2022 Plan.

The following is a summary of the material terms of the 2022 Plan:

Eligible Participants. Options were granted pursuant to the 2022 Plan to certain Directors and Officers, Employees and Consultants. The Board, in its discretion, determined which of the Directors and Officers, Employees or Consultants were awarded 2022 Options under the 2022 Plan.

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the 2022 Plan may not exceed 10% of the issued and outstanding common shares at the date of granting of 2022 Options.

Limitations. Under the 2022 Plan, the aggregate number of options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding common shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding common shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or directors or officers whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding common shares of the Company in any 12-month period, calculated at the date an option is granted to any such person. Disinterested shareholder approval was required for any grant of options which would result in the number of options granted to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding common shares of the Company.

Exercise Price. The exercise price of options granted under the 2022 Plan was determined by the Board, in accordance with the policies of the TSX Venture Exchange. The exercise price of 2022 Options granted to Insiders may not be decreased without disinterested shareholder approval at the time of the proposed amendment.

Term of 2022 Options. Subject to the termination and change of control provisions noted below, the term of any 2022 Options were determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested shareholder approval will be required for any extension to 2022 Options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting. All 2022 Options are subject to such vesting requirements as prescribed by the policies of the TSX Venture Exchange, if applicable, or were imposed by the Board. 2022 Options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period. In the event of a Change of Control, as defined in the 2022 Plan, all unvested 2022 Options will vest immediately.

Dividend entitlement. The 2022 Plan does not include any dividend entitlement to participants. If participants were entitled to receive options in lieu of dividends declared by the Company, and if the Company did not have sufficient unallocated options available to satisfy the obligation, then the Company may settle those entitlements with cash.

Termination. Any 2022 Options granted pursuant to the 2022 Plan will terminate upon the earliest of:

- (a) the end of the term of the 2022 Option;
- (b) on the Cessation Date, if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Exercise of 2022 Options. The exercise price of an option must be paid in cash, other than as described below as determined by the Board:

- (a) Cashless Exercise (as defined under the heading “2023 Stock Option Plan” above); or
- (b) Net Exercise (as defined under the heading “2023 Stock Option Plan” above).

In the event of a Cashless Exercise or Net Exercise, the number of 2022 Options exercised, surrendered or converted, and not the number of common shares actually issued by the Company, must be included in calculating the limits set forth in Section 5(a) and Sections 6(f)(i)-(iii) of the 2022 Plan.

The 2022 Plan also contains provisions permitting the Company to issue 2022 Options that qualify as “Incentive Stock Options” under Section 422 of the U.S. Internal Revenue Code of 1986, as amended.

### **Employment, consulting and management agreements**

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

#### *Current employment, consulting and management agreements*

The Company, through its subsidiary Alpha Cognition (USA), Inc., entered into an employment agreement dated February 22, 2021, as amended on March 28, 2022, with Michael McFadden, pursuant to which the Company retained Mr. McFadden to act as CEO of the Company effective as of April 12, 2021. Mr. McFadden was also appointed as a director of the Company effective as of March 28, 2022. Pursuant to the agreement, the Company agreed to pay Mr. McFadden an annual salary of \$500,000 and to grant Mr. McFadden an equity interest in the Company based on the value of the Company on a sale or merger, or a listing on the Nasdaq exchange. Mr. McFadden is also entitled to an annual bonus based on achievement of certain milestones, up to a maximum of 50% of his base salary. The agreement may be terminated by either party at any time, for any reason. In the event the agreement is terminated by the Company for any reason other than cause, or by Mr. McFadden for good reason, Mr. McFadden will be entitled to receive his base compensation through to the date of termination, together with severance of six months of base compensation, plus three months of half of base compensation, plus three months of one quarter

of base compensation, plus the average of actual performance bonuses paid over the last two years. Mr. McFadden will be entitled to keep options which have vested, however any unvested options would be forfeited. Pursuant to the agreement, in the event of a change of control, Mr. McFadden will receive: a) a cash payment equal to his annual base salary; b) a full bonus payable in cash immediately, irrespective of whether targets have been met; and c) continuation of healthcare benefits for twelve months from date of the change of control event. Mr. McFadden also received the following compensation from Alpha Seven Therapeutics Inc., a company who shares management with the Company (“**Alpha Seven**”), for acting as Chief Executive Officer of Alpha Seven for the year ended December 31, 2023: i) US\$20,890; and ii) 660,000 common shares of Alpha Seven.

The Company, through its subsidiary Alpha Cognition (USA), Inc., entered into an employment agreement dated April 11, 2022, as amended on June 15, 2022, with Don Kalkofen, pursuant to which the Company retained Mr. Kalkofen to act as CFO of the Company effective as of April 11, 2022. Pursuant to the agreement, the Company agreed to pay Mr. Kalkofen an annual salary of \$420,000 and Mr. Kalkofen was granted stock options. In the event the agreement is terminated by the Company for any reason other than cause, or by Mr. Kalkofen for good reason, Mr. Kalkofen will be entitled to receive his base compensation through to the date of termination. Mr. Kalkofen will be entitled to keep options which have vested, however any unvested options would be forfeited. Pursuant to the agreement, in the event of a change of control, Mr. Kalkofen will receive: a) a cash payment equal to his annual base salary; b) a cash bonus equal to 50% of his annual base salary; and c) continuation of healthcare benefits for twelve months from date of change of control event. Mr. Kalkofen also received the following compensation from Alpha Seven for acting as Chief Financial Officer of Alpha Seven for the year ended December 31, 2023: i) US\$20,890; and ii) 397,500 common shares of Alpha Seven.

The Company entered into an employment agreement with Lauren D’Angelo pursuant to which the Company retained Ms. D’Angelo to act as the Chief Commercial Officer effective as of May 4, 2021. Ms. D’Angelo was promoted to Chief Operating Officer as of October 1, 2023. Pursuant to the agreement, the Company agreed to pay Ms. D’Angelo an annual salary which is currently \$420,000 and Ms. D’Angelo is entitled to an annual bonus based on criteria established by the CEO and approved by the Board, with the target bonus to be 50% of base salary. Ms. D’Angelo is also entitled to receive stock options. The agreement may be terminated by either party at any time, for any reason, with or without advance notice or cause. Pursuant to the agreement, in the event of a change of control, Ms. D’Angelo will receive: a) a cash payment equal to the annual base salary; b) a full bonus payable in cash immediately, irrespective of whether targets have been met; and c) continuation of healthcare benefits for twelve months from date of change of control event. Ms. D’Angelo also received the following compensation from Alpha Seven for acting as Chief Business Officer of Alpha Seven for the year ended December 31, 2023: i) US\$20,890; and ii) 397,500 common shares of Alpha Seven.

#### *Terminated employment, consulting and management agreements*

The Company, through its subsidiary, Alpha Cognition Canada Inc. (formerly Neurodyn Cognition Inc.), entered into a consulting agreement dated September 1, 2018, as amended on June 1, 2019 and further amended on September 1, 2022, with CMI Cornerstone Management Corporation, a company beneficially owned and controlled by Kenneth Cawkell, pursuant to which the Company retained Mr. Cawkell as CEO. Mr. Cawkell resigned as the CEO on April 12, 2021 and is now the Corporate Secretary and remains a director of the Company. On April 30, 2023, the Company further amended the agreement to reflect an hourly fee of \$400 for services rendered and has paid the \$54,000 termination fee.

#### **Oversight and description of director and named executive officer compensation**

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company’s resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Company's shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options and bonus rights. Third, the Board may award cash bonuses pursuant to its Cash Bonus Policy for exceptional performance that results in a significant increase in shareholder value. The Company provides medical, dental benefits, and life and accidental death and disability insurance, and offers a 401K Plan but it does not provide pension or other benefits to executive officers. No company match has been paid to date on the company 401k Plan.

The base compensation of the executive officers is reviewed and set annually by the Board, acting on behalf of recommendations from the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the 2023 Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion, with input from the Compensation Committee. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR+ website at [www.sedarplus.com](http://www.sedarplus.com).

DATED this 12<sup>th</sup> day of March, 2024.

**ALPHA COGNITION INC.**

*"Michael McFadden"*

Michael McFadden  
Chief Executive Officer & Director