

TIDAL ROYALTY CORP.

STATEMENT OF EXECUTIVE COMPENSATION

For the Financial Years ended July 31, 2019 and 2018

Definitions

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Company” or **“Tidal”** means Tidal Royalty Corp.;

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“NEO” or **“named executive officer”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an 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;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock; and

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Named Executive Officer and Director Compensation

The following table summarizes the compensation paid to the directors and NEOs of Tidal for the last two completed financial years:

Table of compensation excluding compensation securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Paul Rosen ⁽¹⁾ <i>CEO and Director</i>	2019	195,833	Nil	Nil	Nil	Nil	195,833
	2018	275,000	Nil	Nil	Nil	Nil	275,000
Theo van der Linde ⁽²⁾ <i>CFO and Director</i>	2019	81,250	Nil	Nil	Nil	Nil	81,250
	2018	61,934	Nil	Nil	Nil	Nil	61,934
Terry Taouss ⁽³⁾ <i>President</i>	2019	189,824	Nil	Nil	Nil	Nil	189,824
	2018	72,917	Nil	Nil	Nil	Nil	72,917
Brendan Purdy ⁽⁴⁾ <i>Director</i>	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Brian Penny ⁽⁵⁾ <i>Director</i>	2019	16,014	Nil	Nil	Nil	Nil	16,014
	2018	10,000	Nil	Nil	Nil	Nil	10,000
Stuart Wooldridge ⁽⁶⁾ <i>Director</i>	2019	18,200	Nil	Nil	Nil	Nil	18,200
	2018	7,500	Nil	Nil	Nil	Nil	7,500

Notes:

- (1) Mr. Rosen was appointed as CEO of the Company on January 1, 2018 and as a director on July 20, 2017. All of the compensation received by Mr. Rosen was in respect of his position as CEO of the Company. Mr. Rosen resigned as the CEO and as a director on February 22, 2019.
- (2) Mr. van der Linde was appointed as CFO and a director of the Company on July 20, 2017. All of the compensation received by Mr. van der Linde was in respect of his position as CFO of the Company.
- (3) Mr. Taouss was appointed as President of the Company July 5, 2018. Prior to that time, beginning on February 19, 2018, Mr. Taouss was in the role of Vice President, Operations. His compensation is reflected from the period beginning on February 19, 2018 and ending July 31, 2019. Mr. Taouss resigned as the President on February 21, 2019.
- (4) Mr. Purdy was appointed as a director of the Company July 20, 2017.
- (5) Mr. Penny was appointed as a director of the Company on June 22, 2018 and his compensation is reflected from the period beginning on June 22, 2018 and ending on July 31, 2019. Mr. Penny resigned as a director on June 28, 2019.
- (6) Mr. Wooldridge was appointed as a director of the Company on July 22, 2002.

Other than as set forth in the foregoing table, the named executive officers and directors have not received, during the most recently completed financial year, compensation pursuant to any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments, any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors, or any arrangement for the compensation of directors for services as consultants or experts.

Stock Options and Other Compensation Securities

The following tables set forth the details of all compensation securities granted or issued to each named executive officer and director by Tidal (or any subsidiary, as applicable) in the most recently completed financial year for services provided or to be provided, directly or indirectly, to Tidal (or any subsidiary, as applicable):

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
Brian Penny ⁽⁵⁾ <i>Former Director</i>	Stock Options	500,000 stock options exercisable into 500,000 common shares representing 0.17% of the common shares outstanding	April 26, 2019	\$0.26 USD	\$0.26 USD	\$0.26 USD	April 26, 2024
Stuart Wooldridge ⁽⁶⁾ <i>Director</i>	Stock Options	725,000 stock options exercisable into 725,000 common shares representing 0.25% of the common shares outstanding	April 26, 2019	\$0.26 USD	\$0.26 USD	\$0.26 USD	April 26, 2024

- (1) Mr. Rosen resigned as a director and officer of the Company on February 22, 2019; all options granted to him expired 30 days thereafter pursuant to the terms of the Stock Option Plan. Mr. Rosen had Nil options outstanding at the end the end of the most recently completed financial year.
- (2) Mr. van der Linde had 750,000 options outstanding at the end the end of the most recently completed financial year.
- (3) Mr. Taouss resigned as an officer of the Company on February 21, 2019; all options granted to him expired 30 days thereafter pursuant to the terms of the Stock Option Plan. Mr. Taouss had Nil options outstanding at the end the end of the most recently completed financial year.
- (4) Mr. Purdy had 150,000 options outstanding at the end the end of the most recently completed financial year.
- (5) Mr. Penny had 800,000 options outstanding at the end the end of the most recently completed financial year.
- (6) Mr. Wooldridge had 800,000 options outstanding at the end the end of the most recently completed financial year.

Exercise of Compensation Securities by Directors and Named Executive Officers

No named executive officer or director of the Company exercised any outstanding compensation securities during the most recently completed financial year of the Company.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Stock Option Plans and Other Incentive Plans

The only equity compensation plan which the Issuer has in place is the 10% rolling stock option plan (the "Option Plan") dated July 15, 2017, amended and restated as of December 6, 2018, as approved by shareholders of the Issuer at its annual general and special meeting held on December 6, 2018. The purpose of the Option Plan is to provide the Issuer with a share-related mechanism to attract, retain and

motivate qualified directors, officers, employees and consultants, to reward such of those directors, officers, employees and consultants as may be awarded options under the Option Plan by the Tidal Board from time to time for their contributions toward the long term goals of the Issuer and to enable and encourage such directors, officers, employees and consultants to acquire Tidal Shares as long term investments.

The following information is intended to be a brief summary of the Option Plan:

- The maximum number of Tidal Shares with respect to which options may be granted pursuant to the Option Plan shall not exceed 10% of the issued and outstanding Tidal Shares on a non-diluted basis at any time;
- Options may be granted only to directors, officers, employees and consultants of the Issuer or any related entity of the Issuer;
- The total number of Tidal Shares that may be reserved for issuance to any one individual under the Option Plan shall not exceed 5% of the outstanding Tidal Shares. The maximum number of options that may be granted to any one consultant under the Option Plan, or employees performing investor relations activities for the Issuer, within any 12-month period shall not exceed 2% of the issued and outstanding Tidal Shares at the time of the grant;
- The term of an option shall not exceed ten years from the date of the grant of the option;
- Subject to allowable adjustments, the option price of any option shall not be lower than the market price on the date on which the grant of the option is approved by the Tidal Board;
- An option shall be personal to the optionee and shall be non-assignable and non-transferable (whether by operation of law or otherwise);
- In the event that any optionee ceases to be an eligible person under the Option Plan (i.e. ceases to be an officer, director, employee or consultant for any reason other than death or termination with cause), the optionee will be entitled to exercise his or her options which have vested as of such date of cessation only within a period of 30 days following the date of such cessation or such other date as may be determined by the Tidal Board, but in no event may any options be exercised following the expiry date thereof. In the event an optionee is terminated with cause, the options held by such optionee will expire on the date of such termination. In the event of the death of an optionee, any options held by such optionee which have vested as of the date of death may be exercised within a period of one year following the optionee's death;
- The Tidal Board may at any time amend the Option Plan or any options granted thereunder, subject to the receipt of all applicable regulatory approvals, other than substantive amendments to the Option Plan, which also require shareholder approval; and
- In the event that an offer to purchase or repurchase Tidal Shares or any part thereof shall be made to all or substantially all holders of Tidal Shares, the options shall be automatically and immediately accelerated such that all remaining options will then be available for exercise.

Employment, consulting and management agreements

Other than as set out below, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors' responsibilities.

The Company entered into a management consulting agreement with Theo van der Linde effective July 20, 2017 with regard to his services as Chief Financial Officer of the Company. Pursuant to the agreement, the Company has agreed to pay Mr. van der Linde a base salary of \$72,000 per annum and shall continue indefinitely until terminated by either party in accordance with the terms of the agreement. The agreement provides for a severance clause of three months' notice for termination. In the event that Mr. van der Linde resigns for "Good Cause" following a "Change of Control" (as those terms are defined in the applicable agreement), Mr. van der Linde will be entitled to two times the annual pro-rated fee paid.

The Company entered into an informal verbal agreement with Paul Rosen effective July 20, 2017 with regard to his services as CEO of the Company. Pursuant to the informal verbal agreement, the Company has agreed to pay Mr. Rosen a base salary of \$300,000 per annum and shall continue indefinitely until terminated by either party. The agreement does not contain severance or change of control provisions. Subsequent to the year ended July 31, 2018, Mr. Rosen's salary was increased to \$400,000 per annum. Mr. Rosen ceased to act as an officer and director of the Issuer effective February 2019.

The Issuer entered into an informal verbal agreement with Terry Taouss effective July 5, 2018 with regard to his services as President of the Issuer. Pursuant to the informal verbal agreement, the Issuer has agreed to pay Mr. Taouss a base salary of \$175,000 per annum, with possible bonuses to be awarded at the discretion of the Tidal Board and shall continue indefinitely until terminated by either party. The agreement provides for a severance clause of twelve months' notice for termination. The agreement does not contain change of control provisions. Subsequent to the year ended July 31, 2018, Mr. Taouss's salary was increased to \$250,000. Mr. Taouss ceased to act as an officer of the Issuer effective February 2019.

Oversight and description of director and named executive officer compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the NEOs and directors of the Company. The Board conducts reviews with regard to the compensation of the directors and the executive officers once a year.

Director Compensation

For the financial years ended July 31, 2019 and July 31, 2018, the Company did not employ a nominating committee. All tasks related to developing and monitoring the approach to the nomination of directors to the Board were performed by the members of the Board.

Other than as set forth in the foregoing, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

Brian Penny received an annual stipend of \$10,000 for his services as a Board member.

Named Executive Officer Compensation

For the financial years ended July 31, 2019 and July 31, 2018, the Company did not have a formal compensation program with specific performance goals nor did it employ a compensation committee. All tasks related to developing and monitoring the Company's approach to the compensation of officers were

performed by the members of the Board. The compensation of each of the NEOs was reviewed, recommended and approved by the Company's independent directors.

The Board considers the performance of each NEO along with the Company's ability to pay compensation and the Company's results of operation for the period. As the objectives of the Company's compensation procedures are to align the interests of employees with the interests of shareholders, a significant portion of total compensation is based upon overall corporate performance.

Compensation is designed to achieve the following key objectives:

- to support our overall business strategy and objectives;
- to provide market competitive compensation that is substantially performance-based;
- to provide incentives that encourage superior corporate performance and retention of highly skilled and talented NEOs; and
- to align executive compensation with corporate performance and therefore shareholders' interests.

Our compensation package is comprised of short-term compensation in the form of base salary or service fees, medium-term compensation in the form of discretionary cash bonuses and long-term compensation in the form of option-based awards. The Company does not have a formal compensation program which sets benchmarks for performance by NEOs. Base salary is determined by the Board largely based on market standards. In addition, the Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium-term compensation component. No bonuses were awarded for the financial years ended July 31, 2019 and July 31, 2018. Lastly, the Company chooses to grant stock options to executive officers to satisfy the long-term compensation component.

The Board has not directly considered the implications of the risks associated with our compensation policies and practices. The Company does not have a set policy preventing an NEO or director from purchasing financing instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Company does not use a peer group to determine compensation.

Since the end of the July 31, 2019 financial year, the Board has established a Compensation Committee. The charter of the Compensation Committee is summarized below under "Corporate Governance Disclosure – Compensation Committee".

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at July 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	28,785,766	0.08	475,000
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	28,785,766		475,000

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at July 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	16,468,727	0.08	1,100,000
Equity compensation plans not approved by the securityholders	N/A	N/A	N/A
Total	16,468,727		1,100,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

No director or executive officer of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

MANAGEMENT CONTRACTS

Other than as disclosed below, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

The Company entered into a corporate management agreement (the "**Management Agreement**") dated January 1, 2018, with Pender Street Corporate Consulting Ltd. which was subsequently assigned to Partum Advisory Services Corp. ("**Partum**") on April 1, 2019 to provide management, accounting and administrative services to the Company in accordance with the terms of the Management Agreement for a monthly fee of \$6,000 plus applicable taxes and reimbursement of all out-of-pocket expenses incurred on behalf of the Company. Partum is also entitled to charge a 15% administration fee on all disbursements paid by Partum and to charge interest of 2% on all disbursements not reimbursed within 30 days. The Management Agreement is for an initial term of 12 months, to be automatically renewed for further 12 month periods, unless either party gives 30 days' notice of non-renewal, in which case the Management Agreement will terminate. The Management Agreement can be terminated by the Company for cause without prior notice or upon the mutual consent in writing of both parties. If there is a take-over or change of control of the Company resulting in the termination of the Management Agreement, Partum is entitled to receive an amount equal to 24 months of fees payable as a lump sum payment due on the day after the termination date.

Partum was not indebted to the Company during the Company's last completed financial year, and the Management Agreement remains in effect.

During the most recently completed financial year, the Company paid or accrued \$72,000 in management, accounting fees and rent.