

CELLBROADCAST GROUP INC.

Executive Compensation Disclosure for the Year Ended June 30, 2019

October 24th, 2019

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

Cellbroadcast Group Inc. (the “**Corporation**”) was largely inactive during fiscal 2019 and had been in that state since approximately 2006. It is intended that once the Corporation resumes trading, the objectives of the executive compensation policy of the Corporation will be to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align the interests of executive officers with the long-term interests of the shareholders. These objectives are designed to ensure that the Corporation grows on an absolute basis as well as to grow cash-flow and earnings per share. The Corporation’s primary compensation policy is to pay for performance and, accordingly, the performance of the Corporation and of the acting Chief Executive Officer as an individual are both intended to be examined by the Board of Directors (the “**Board**”).

Neither the Board nor any committee thereof sets specific performance objectives in assessing the performance of the officers in the Corporation, rather the Board uses their experience and judgment in determining an overall compensation package for the officers.

The following executive officers of the Corporation during the twelve months ended June 30, 2019 are considered to be Named Executive Officers for the purposes of this Circular:

Shelley Germann – Acting Chief Executive Officer

Components of Compensation Plan

Base Salaries

The Corporation intends to pay base salaries that are competitive with, but less than, those of comparable companies in the technology industry. The Board compares the base salary of the Named Executive Officers of the Corporation with that of similar companies in the technology industry and expects to set compensation levels at approximately the industry average for such positions while attempting to adjust for the Corporation’s size, at the start of the year. Factors looked at in assessing peer companies include total revenue, total assets, funds from operations, total level of capital expenditures, total operating and general and administrative expenses and number of employees. The Board expects to use lower base salaries for its senior management to take into account the equity positions of these individuals.

Bonuses

The Corporation has not established a bonus plan for its executive officers and employees, but bonus entitlement is available at the discretion of the Board. During the fiscal year ended June 30, 2019, the Corporation did not award any bonus payments to any of the then current directors or officers.

Long-Term Incentive Compensation Program

It is intended that the Corporation will implement a long-term incentive program once it resumes trading and key to this program is a stock option plan (the “**Stock Option Plan**”) which the Corporation intends to implement at some point in the future. The purpose of the Stock Option Plan will be to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons and those of the shareholders of the Corporation (the “**Shareholders**”). Options will be exercisable over periods of up to five (5) years as determined by the Board of the Corporation and are required to have an exercise price no less than the market price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of any stock exchange on which the shares of the Corporation may then be trading and approved by the Board. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees or companies providing management or consulting services to the Corporation or its subsidiaries. Previous grants of options will be taken into account when considering new grants under the Stock Option Plan.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Officer	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil		Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the fiscal year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on each grant date: the grant price, the risk free interest rate and the volatility of the Shares up to the grant date.
- (2) No amounts were paid to Ms. Shelley Germann for her role as a director of the Corporation, except as disclosed above.

Incentive Plan AwardsOutstanding Share-based Awards and Option-based Awards as of June 30, 2019**Option-based Awards**

Name and principal position	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of option-based awards that have not vested (\$)	Market or payout value of vested option-based awards not paid out or distributed (\$)
Shelley Germann Chief Executive Officer	Nil	Nil	N/A	Nil	Nil	Nil	Nil

Note:

- (1) There are currently no outstanding share-based awards

Incentive Plan Awards – Value Vested or Earned during the Fiscal Year Ended June 30, 2019

Name and principal position	Option-based awards – Value vested (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned (\$)
Shelley Germann Chief Executive Officer	Nil	N/A	N/A

Retirement Plans

The Corporation has no retirement plans for its directors, officers or employees.

Termination and Change of Control Benefits

There are no employment contracts or other compensation plans or arrangements with regard to any of the officers which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of the Corporation or from a change in an officer's responsibilities following a change of control.

Director Compensation

Except as otherwise disclosed herein, no compensation was paid or is payable to the directors of the Corporation, in their capacity as directors, for the year ended June 30, 2019. The directors of the Corporation were not reimbursed for

expenses incurred in carrying out their duties, including expenses incurred to attend directors' meetings and meetings of committees of directors for the year ended June 30, 2019.

Director Compensation Table

The following table sets forth details of director compensation for the fiscal year ended June 30, 2019.

<u>Name⁽¹⁾</u>	<u>Fees earned (\$)</u>	<u>Share-based awards (\$)</u>	<u>Option-based awards (\$)⁽²⁾</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>Pension value (\$)</u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
N/A	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Disclosure for Ms. Germann is included in the summary compensation table for Named Executive Officers. Ms. Germann did not receive any compensation for serving as a director of the Corporation, except as otherwise described herein.
- (2) The amounts disclosed herein for the option-based awards are calculated based on the fair value of the options granted during the fiscal year ended June 30, 2019 based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on each grant date: the grant price, the risk free interest rate and the volatility of the shares up to the grant date.

Outstanding Share-based Awards and Option-based Awards

The following table sets forth details of options to purchase shares granted to non-employee directors which were outstanding at the end of the fiscal year ended June 30, 2019.

<u>Name of Director</u>	<u>Option-based Awards</u>						<u>Market or payout value of vested option-based awards not paid out or distributed (\$)</u>
	<u>Number of securities underlying unexercised options (#)</u>	<u>Option exercise price (\$)</u>	<u>Option expiration date</u>	<u>Value of unexercised in-the-money options (\$)⁽¹⁾</u>	<u>Number of shares or units of shares that have not vested (#)</u>	<u>Market or payout value of option-based awards that have not vested (\$)</u>	
N/A	Nil	N/A	N/A	Nil	Nil	Nil	Nil

Notes:

- (1) There are currently no outstanding share-based awards

Incentive Plan Awards – Value Vested or Earned

The following table summarizes, for each of the non-employee directors, the value of options vested, and the value of any other non-equity incentive plan compensation earned, during the fiscal year ended June 30, 2019.

<u>Name of Director</u>	<u>Option-based awards – Value vested (\$)</u>	<u>Share-based awards – Value vested (\$)</u>	<u>Non-equity incentive plan compensation – Value earned (\$)</u>
N/A	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation did not have an equity compensation plan under which equity securities are authorized for issuance as at June 30, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this document, none of the Corporation's directors or executive officers or their respective associates or affiliates are indebted to the Corporation.