

**AQUARIUS COATINGS INC.**

**Form 51-102F6**

**March 31, 2012**

**COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

**Compensation of Directors**

The board of directors as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry.

Each of the Corporation's independent directors has not received any compensation for their services.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. See "Compensation of Executive Officers".

The Corporation does not have a stock option plan for the granting of incentive stock options to the officers, employees and directors of the Corporation.

**Compensation of Executive Officers**

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

"Executive Officer" is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

The board of directors of the Corporation as a whole determines the level of compensation in respect of the senior executives of the Corporation and its subsidiaries. There were no long-term incentive awards made to the Named Executive Officers of the Corporation during the most recently completed financial year. There are no pension plan benefits in place for the named executives and none of the Named Executive Officers, senior officers or directors of the Corporation or its subsidiaries is indebted to the Corporation.

During the Corporation's most recently completed financial year, the Corporation had two Named Executive Officers: David J. Hennigar, Acting Chief Executive Officer and Lorne S. MacFarlane, Chief Financial Officer. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the most recently completed financial year, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the most recently completed financial year, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the most recently completed financial year, was \$ nil.

### **Summary Compensation Table**

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of each Named Executive Officer as at March 31, 2012. Other than as disclosed below, no other executive officer received in excess of \$150,000 in total salary and bonus during the year ended March 31, 2012.

	Annual Compensation					Long Term Compensation <sup>(1)</sup>	
						Awards	Payouts
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Total (\$)	Securities Under Option	All Other Compensation (\$)
David J. Hennigar	2012	nil	nil	nil	nil	nil	nil
Acting Chief Executive Officer	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil
Richard C. Jones	2012	n/a	n/a	n/a	n/a	n/a	n/a
Chief Financial Officer <sup>(2)</sup>	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2010	83,293	nil	6,550	89,843	nil	nil
Lorne S. MacFarlane	2012	nil	nil	nil	nil	nil	nil
Chief Financial Officer <sup>(2)</sup>	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil

#### **Notes:**

- (1) No shares or units subject to restrictions or other compensation under any long term incentive plan were paid to any Named Executive Officer.
- (2) Richard C. Jones went on long term disability on November 10, 2009 and was replaced by Lorne S. MacFarlane as Chief Financial Officer effective November 11, 2009

### **Compensation Discussion and Analysis**

There was no compensation awarded to or earned by any executive officers of the Corporation during the year ended March 31, 2012.

### **Stock Option Plan and Stock Options**

The Corporation did not have a Stock Option Plan during the financial year ended March 31, 2012.

### **Securities Authorized for Issuance Under Equity Compensation Plans**

There were no securities authorized for issuance as at March 31, 2012.

### **Long Term Incentive Plan**

The Corporation did not have a long-term incentive plan during the financial year ended March 31, 2012.

### **Pension, Retirement Plans and Payments Made Upon Termination of Employment**

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial year, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

**Employment Contracts**

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the last completed financial year.