

**PARCELPAL LOGISTICS INC.**

422 Richards St., Suite 170  
Vancouver, BC V6B 2Z4

Form 51-102F6V

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS  
(for financial years ended December 31, 2022 and December 31, 2021)**

**General**

The following information, dated as of June 23, 2023, is provided as required under Form 51-102F6V for venture Issuers (the “**Form**”), as such term is defined in National Instrument 51-102.

For the purposes of this Form:

“**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**” means ParcelPal Logistics Inc.;

“**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;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (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), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

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

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

During the financial year ended December 31, 2022, the Company had one NEO, namely:

- (i) Rich Wheelless, Chief Financial Officer since March 13, 2020, and Chief Executive Officer since April 3, 2020;

### **Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table (presented in accordance with National Instrument Form 51-102F6V Statement of Executive Compensation – Venture Issuers) excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended December 31, 2022 and 2021. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Rich Wheelless, CEO, CFO, and Director	2022	267,535 <sup>(1)</sup>	-	-	-	-	267,535
	2021	257,917 <sup>(2)</sup>	128,959	-	-	770,000	1,156,876
Robert Faissal, Director	2022	Nil	-	-	-	-	-
	2021	Nil	-	-	-	-	110,000
Brock Vandrick <sup>(5)</sup> , Director	2022	Nil	-	-	-	-	-
	2021	Nil	-	-	-	-	-
Brian Storseth <sup>(3)</sup> , Director	2022	Nil	-	-	-	-	-
	2021	Nil	-	-	-	440,000	440,000
Alex Nuttall <sup>(4)</sup> , Director	2022	Nil	-	-	-	-	-
	2021	Nil	-	-	-	-	110,000

**Notes:**

- (1) Cash compensation of USD \$200,000 at an exchange rate of \$1.338.
- (2) Cash compensation of USD \$200,000 at an exchange rate of \$1.289.
- (3) Brian Storseth resigned as a director on September 21, 2022.
- (4) Alex Nuttall resigned as a director on June 6, 2022.
- (5) Brock Vandrick was appointed as a director on June 6, 2022.

## Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted, or issued by the Company to each NEO and directors of the Company for the fiscal year ended December 31, 2022, for services provided, directly or indirectly, to the Company.

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
Rich Wheelless <sup>(1)</sup> , CEO, CFO, and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Robert Faissal <sup>(2)</sup> , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brock Vandrick <sup>(3)</sup> , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brian Storseth <sup>(4)</sup> , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Alex Nuttall <sup>(5)</sup> , Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

### Notes:

- (1) Mr. Wheelless held 9,000,000 common shares and 2,000,000 options as at December 31, 2022.
- (2) Mr. Faissal held 1,000,000 common shares and 1,000,000 options as at December 31, 2022.
- (3) Mr. Vandrick held no common shares and no options as at December 31, 2022.
- (4) Mr. Storseth resigned as a director on September 21, 2022.
- (5) Mr. Nuttall resigned as a director on June 6, 2022.

### Exercise of Compensation Securities by Directors and NEOs

During the financial year ended December 31, 2022, no compensation securities were exercised by a NEO or director of the company

### External Management Companies

Please refer to “Employment, Consulting and Management Agreements” below for disclosure relating to any external management company employing, or retaining individuals, acting as named executive

officers of the Company, or that provide the Company's executive management services and allocate compensation paid to any named executive officer or director.

### **Share-Based and Option-Based Awards**

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board considers the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining, and motivating the officers, directors, and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders. The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

At the meeting of shareholders held August 23, 2018 a resolution was passed approving amendments to the Stock Option Plan changing the existing Stock Option Plan from a "rolling" plan to a "fixed" plan. The aggregate fixed number of Common Shares that may be issued upon the exercise of all options granted under the plan is 13,269,142 Common Shares. As of the date of this Form 51-102F6V, there remains 6,194,142 stock options available for issuance under this plan.

The limits to the number of Common Shares which can be reserved for issuance for grants made under the amended Stock Option Plan is limited to:

- (a) the aggregate number of Common Shares reserved for issuance under options issued to insiders may exceed 10% of the issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares reserved for issuance under options may exceed 5% of the issued and outstanding Common Shares in any twelve month period;
- (c) the aggregate number of Common Shares reserved for issuance under options granted to any one consultant of the Company, or any subsidiary of the Company, shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period, and
- (d) the aggregate number of Common Shares reserved for issuance under stock options granted to any one employee of the Company or any subsidiary of the Company, which is engaged in Investor Relation Activities shall not exceed 2% of the issued and outstanding Common Shares in any twelve month period with no more than one quarter of such options vesting in any three month period.

### **Employment, Consulting and Management Agreements**

Other than as set forth below, the Company has no contract, agreement, plan or arrangement that provides for payments to a named executive officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the named executive officer's responsibilities.

On March 27, 2020, Rich Wheelless, entered into a consulting agreement (the “Consulting Agreement”) with the Company and was appointed Chief Financial Officer, with retroactive effectiveness as of March 1, 2020. On April 6, 2020, Rich Wheelless was appointed Chief Executive Officer.

Under the terms of the Consulting Agreement, effective for a period of 36 months, Rich Wheelless will perform the role and duties required by his position within the Company. Regarding the compensation package, Rich Wheelless will be paid in cash (i) US\$6,000 per month through December 31, 2020; (ii) US\$10,000 per month from January 1, 2021, to December 31, 2021, increased to US\$12,000 per month if the annual gross revenues of the Company reach the target for that year; (iii) US\$12,000 per month January 1, 2022, to December 31, 2022, increased to US\$15,000 if the annual gross revenues of the Company reach the target for that year; and (iv) US\$15,000 per month from January 1, 2023, to March 1, 2023, increased to US\$17,000, if the annual gross revenues of the Company reach the target for that year. Cash bonuses will be payable each year, contingent on the satisfaction of revenue milestone requirements. At the beginning of 2021, the monthly consulting fee for the year was increased and Rich Wheelless will be paid in cash US\$16,666.67 per month through December 31, 2021. At the beginning of 2022 the monthly consulting fee for the year was increased and Rich Wheelless will be paid in cash US\$33,333.34 per month through December 31, 2022.

In addition, Rich Wheelless was granted 2,000,000 unvested restricted common shares on March 27, 2020. On May 15, 2020, 1,000,000 common shares vested. On July 15, 2020, 500,000 common shares vested. The remaining 500,000 restricted common shares vested on October 15, 2020. The Company’s Board may terminate this Consulting Agreement without cause at any time upon providing the CEO thirty days’ notice, or payment in lieu of such notice. Mr. Wheelless may terminate the Consulting Agreement at any time upon giving forty-five days’ notice in writing to the Company.

If the Consulting Agreement is terminated without cause, and Mr. Wheelless has served as an executive for at least six months from the effective date, the Company shall, (a) pay a severance payment equal to the fee for the full term of the Consulting Agreement, (b) pay any fees accrued as of the date of the termination, (c) pay the value of all benefits accrued, if any, as of the severance payment date, (d) pay USD \$50,000 in either cash or common shares of the Company, at the discretion of the Board, and (e), pay any other amounts the consultant is entitled at law or under any other terms and conditions of the Consulting Agreement.

### **Oversight and Description of Director and NEO Compensation**

The Company has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. Given the Company's current stage of development, the Company does not currently have an active compensation committee in place. Compensation payable is currently determined by the Board.

Executive compensation awarded to the named executive officers consists of three components: (i) management fees, (ii) bonuses, and (iii) stock options. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Company's compensation program.

The goal of the Company’s executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations. The Board has not considered the implications of the risk associated with the Company’s compensation practices. The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization.

**Pension**

The Company does not provide any pension benefits for directors or executive officers.