



Fireswirl
Technologies Inc.

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the financial year ended December 31, 2016)

June 13, 2017

EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, Fireswirl Technologies Inc. (the "**Corporation**") is required to provide a summary of 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 any individual who served as its Chief Executive Officer or Chief Financial Officer of the Corporation during such period, the other three most highly compensated executive officers of the Corporation whose total compensation for the most recently completed financial year exceeded \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was neither serving as such an officer, nor acting in a similar capacity, at the end of the most recently completed financial year (each referred to as an "**Named Executive Officer**").

Compensation Discussion and Analysis

The board of directors of the Corporation (the "**Board**") has appointed a compensation and corporate governance committee (the "**CCGC Committee**") to assist it in determining compensation for its executive officers. In determining compensation, the Corporation's goal is to provide sufficient compensation opportunities for executive officers in order to attract, retain and motivate the best possible management team and to align the interests of the Corporation's executive officers with the interests of the Shareholders. The Corporation's compensation policy with respect to executive officers is designed to provide both short-term and long-term rewards that are consistent with individual and corporate performance. Compensation for executive officers, including the Chief Executive Officer and Chief Financial Officer, consists of a base salary and options granted on a discretionary basis under the Corporation's stock option plan dated October 26, 2005, as amended and restated on August 20, 2013 (the "**Option Plan**").

Each executive officer's base salary is determined with reference to such officer's experience, skill level, past performance, and level of responsibility in respect of the Corporation. In setting base salaries, the Board and the CCGC Committee rely primarily on their own experience and knowledge and ensure that compensation remains at a level that is both in line with the Corporation's fiscal resources and its stage of development. Compensation of the executive officers of the Corporation is reviewed annually to take into account performance contributions for the year and to reflect sustained performance contributions from past years.

The Corporation also considers stock options to be an important component of executive compensation. The objective of making grants under the Option Plan is to encourage executive officers to acquire an ownership interest in the Corporation over a period of time, thus better aligning the interests of executive officers with the interests of Shareholders. Options are granted in consideration of the level of responsibility of the executive as well as the executive's impact or contribution to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the Board and the CCGC Committee take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**") and closely align the interests of the executive officers with the interests of Shareholders.

Compensation Governance

The CCGC Committee is appointed by the Board to, among other things, discharge the Board's responsibilities relating to compensation of the Corporation's directors and officers. The CCGC Committee is currently comprised of Messrs. James Borkowski, Ji Yoon and Henry Au. Messrs. Borkowski and Au are "independent" directors of the Corporation, in that each is free from any interest

which could reasonably interfere with their exercise of independent judgment as directors of the Corporation. Mr. Yoon is an executive officer of the Corporation and is therefore not independent.

The CCGC Committee annually reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluates the Chief Executive Officer's performance in light of those goals and objectives and sets the Chief Executive Officer's compensation level based on this evaluation. The CCGC Committee meets without the presence of other executive officers when approving the Chief Executive Officer's compensation but may invite the Chief Executive Officer to be present during approval of other executive officers' compensation.

All members of the CCGC Committee have experience in compensation matters either as members of compensation committees of other companies and/or from having served as senior executives with significant responsibility for or involvement in compensation matters.

Risk Management

Neither the Board nor the CCGC Committee formally considered the implications of risks associated with the Corporation's compensation policies and practices during the year ended December 31, 2016. However, due to the relatively small size of the Corporation and its current management group, the Board and the CCGC Committee believe they are able to monitor and consider, on an informal basis, risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board and committee meetings during which financial and other information of the Corporation is reviewed. The Corporation does not have any formal policy respecting the purchase of financial instruments by Named Executive Officers or directors of the Corporation.

Summary Compensation Table

The following table (and notes thereto) states the name of each Named Executive Officer and his annual compensation, consisting of salary, option-based awards and other annual compensation for each of the Corporation's three most recently completed financial years.

Name and principal position	Year ended December 31,	Salary (\$)	Option-based awards (\$) ⁽¹⁾	Total compensation (\$)
Lawrence Ng ⁽²⁾ Interim Chief Executive Officer	2016	231,550	14,576	246,126
	2015	47,639	Nil	47,639
Tony Lau ⁽²⁾ Chief Executive Officer	2016	Nil	Nil	Nil
	2015	201,279	Nil	201,279
	2014	170,899	Nil	178,899
Ji Yoon Interim Chief Financial Officer	2016	208,881	11,696	220,577
	2015	160,356	5,401	165,757
	2014	72,000	Nil	72,000

Notes:

- (1) The amounts in this column represent the fair value of stock options, which is estimated on the date of grant using the Black-Scholes Model, as discussed below.
- (2) Mr. Lau resigned as Chief Executive Officer effective September 23, 2015. Mr. Ng was appointed as interim Chief Executive Officer of the Corporation effective the same date.

All of the option-based awards in the above table were granted with an exercise price equal to the market price of the common shares of the Corporation on the date of grant. The amounts reported do not represent net cash proceeds received by the individuals from the exercise of stock options.

The Corporation uses the Black-Scholes Model to estimate the fair value of stock options at the date of grant, using the following assumptions:

Expected volatility: 111% to 143%;
Risk-free interest rate: 0.72% to 0.98%;
Expected life: 5 years; and
Dividend yield: Nil.

Outstanding Option-Based Awards

The following table states the name of each Named Executive Officer, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2016. The closing price of the Common Shares on the Exchange on December 31, 2016 was \$0.035. As at December 31, 2016, the Named Executive Officers did not hold any "in-the-money" unexercised options.

Name	Option-based Awards			
	Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Lawrence Ng ⁽¹⁾	800,000	0.05	May 27, 2021	Nil
Ji Yoon	100,000	0.12	April 3, 2020	Nil
	600,000	0.05	May 27, 2021	Nil

The Corporation did not have a long-term incentive plan pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Corporation's securities) was paid or distributed to the Named Executive Officers during the most recently completed financial year.

Option-Based Awards – Value Vested during the Year

The following table discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the Name Executive Officers on the vesting date. Other than as disclosed herein, during the financial year ended December 31, 2016, no options held by the Named Executive Officers vested.

Name	Option-based awards – Value vested during the year (\$)
Lawrence Ng ⁽¹⁾	8,960
Ji Yoon	9,725

Termination and Change of Control Benefits

Mr. Ng received a monthly salary for his services as interim Chief Executive Officer of the Corporation pursuant to a consulting agreement dated September 23, 2015. The Corporation may terminate the consulting agreement at any time by providing 30 days' written notice, or providing a lump sum payment in lieu of notice, plus any amounts due to Mr. Ng under the agreement up to the date of termination. Had Mr. Ng's consulting agreement been terminated December 31, 2015, Mr. Ng would not have been entitled to any payment from the Corporation unless the termination occurred without notice, in which case he would have been entitled to a payment of \$14,583 in lieu of such notice.

Mr. Lau received an annual salary pursuant to an employment agreement with the Corporation and all benefits which the Corporation offers to its senior executives and the Board for his services as President and Chief Executive Officer of the Corporation. Upon termination without just cause by the Corporation of Mr. Lau's employment agreement, Mr. Lau was entitled to a payment from the Corporation consisting of one year's salary plus a one-time adjustment of fifteen percent (15%) of such amount and any amounts due to Mr. Lau under the agreement up to the date of termination. Mr. Lau resigned as President and Chief Executive Officer of the Corporation effective September 23, 2015; no amounts in respect of severance were paid to him.

Mr. Yoon received a monthly salary for his services as interim Chief Financial Officer of the Corporation pursuant to a consulting agreement dated December 15, 2008, as amended March 25, 2015. The Corporation may terminate the consulting agreement at any time by providing 30 days' written notice, or providing a lump sum payment in lieu of notice, plus any amounts due to Mr. Yoon under the agreement up to the date of termination. Had Mr. Yoon's consulting agreement been terminated December 31, 2015, Mr. Yoon would not have been entitled to any payment from the Corporation unless the termination occurred without notice, in which case he would have been entitled to a payment of \$7,500 in lieu of such notice.

Director Compensation

In 2016, outside directors of the Corporation were eligible to receive an annual retainer of \$16,000, paid quarterly. Other than as may be disclosed herein, the Corporation had no arrangements, standard or otherwise, pursuant to which outside directors were compensated by the Corporation or its subsidiaries for committee participation, involvement in special assignments or for services as a consultant or an

expert during the most recently completed financial year. The following table (and notes thereto) states the names of each director who is not also a Named Executive Officer, and the compensation received by such director for the most recently completed financial year.

Name ⁽¹⁾	Fees earned (\$)	Option-based awards (\$) ⁽²⁾	All other compensation (\$)	Total (\$)
James Borkowski	16,000	8,128	Nil	24,128
Henry Au	16,000	5,466	30,000 ⁽³⁾	51,466
Liang Li	Nil	6,306	Nil	6,306

Notes:

- (1) Disclosure relating to compensation for each of Messrs. Ng, Lau and Yoon is contained in the Summary Compensation Table above. As inside directors, Messrs. Ng, Lau and Yoon were not paid directors' fees during the reported period.
- (2) The amounts in this column represent the fair value of stock options which is estimated on the date of grant using a Black-Scholes Model. See the discussion under the section entitled "Summary Compensation Table" above.
- (3) Represents fees granted by the Corporation as a special bonus in 2016.

Outstanding Option-Based Awards – Directors

The table below (and note thereto) states the name of each director of the Corporation, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2016. The closing price of the Common Shares on the Exchange on December 31, 2016 was \$0.035. As at December 31, 2016, none of the directors of the Corporation held any "in-the-money" unexercised options.

Name ⁽¹⁾	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
James Borkowski	100,000	0.09	June 10, 2020	Nil
	400,000	0.05	May 27, 2021	Nil
Henry Au	300,000	0.05	May 27, 2021	Nil
Liang Li	100,000	0.09	June 10, 2020	Nil
	300,000	0.05	May 27, 2021	Nil

Note:

- (1) Relevant disclosure for each of Messrs. Ng, Lau and Yoon is contained in the "Outstanding Option-Based Awards" table above.

Option-Based Awards – Value Vested During the Year – Directors

The following table (and note thereto) discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the directors on the vesting date. Other than as disclosed herein, during the financial year ended December 31, 2016, no options held by the directors vested.

Name ⁽¹⁾	Option-based awards – Value vested during the year (\$)
James Borkowski	6,390
Henry Au	3,360
Liang Li	5,270

Note:

- (1) Relevant disclosure for each of Messrs. Ng, Lau and Yoon is contained in the "Option-Based Awards – Value Vested during the Year" table above.