

**RAPID DOSE THERAPEUTICS CORP.**  
**(the "Company")**

**Form 51-102F6V**

**STATEMENT OF EXECUTIVE COMPENSATION**

The following information, dated as of April 14 2023, is provided as required by National Instrument 51-102 *Continuous Disclosure Obligations* and Form 51-102F6V thereunder for venture issuers.

**Compensation Discussion and Analysis**

*Narrative Discussion*

General

Given RDT's current size and stage of development, its Board has not appointed a compensation committee and, accordingly, its Board as a whole is responsible for determining the compensation (including long-term incentive in the form of stock options) to be granted to RDT's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing any independent members of the Board with considerable input as to executive compensation.

The Board is expected to review, on an annual basis, the corporate goals and objectives relevant to executive compensation, to evaluate each executive officer's performance in light of those goals and objectives, and to set the executive officer's compensation level based, in part, on this evaluation. The Board is expected to take into consideration RDT's overall performance, shareholder returns, and the awards given to executive officers in past years. The Board is also expected to consider the value of similar incentive awards given to executive officers at comparable listed companies; however, as of the date of this Circular, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board.

When determining the compensation of its officers, the Board will consider: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Shareholders of the Company; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

The compensation philosophy of the Board is aimed at attracting and retaining quality and experienced people which is critical to RDT's success and may include a "pay-for-performance" element which supports RDT's commitment to delivering strong performance for its Shareholders. RDT believes that adequate and appropriate compensation for its executive officers is key to ensuring the continuity of high-quality management who will provide strong leadership and stewardship.

The Board must also address the risks associated with the overall executive compensation program. The Board is currently responsible for assessing the risks which may arise from RDT's compensation policies and practices.

Executive compensation is comprised of three elements: (i) base fees (may be consulting fees) or salary, (ii) short-term incentive compensation (discretionary cash bonuses) and (iii) long-term incentive compensation (stock options).

At the present time, the compensation program is designed to reward the following objectives:

1. The ongoing day-to-day commitment of RDT's executive team in managing RDT's affairs, fulfilling their job responsibilities, and advancing its business plan through its development stages. This objective is covered by the base fees paid for the services of the three Named Executive Officers; see "*Employment, consulting and management agreements*" for further details; and
2. The commitment to long-term growth and increased shareholder value as determined through RDT's share price. This objective is covered through the awarding of stock options under the Stock Option Plan.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Company and its Shareholders, overall financial and operating performance of the Company and the assessment of each officer's individual performance, contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors. Overall, the executive compensation program aims to offer to the executive officers total compensation packages that are comparable to and competitive with executive compensation packages for executive officers with similar talents, qualifications and responsibilities at corporations with similar financial, operating and industrial characteristics. While no formal benchmarking for the purpose of establishing compensation levels relative to any predetermined level and no formal comparing of the compensation to a specific peer group of corporations is done, the Board is expected annually to make itself knowledgeable regarding compensation packages for executive officers with similar talents and to have considered compensation payable to executive officers at similarly placed companies.

No Named Executive Officer (as defined below) is permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation.

#### Compensation Process

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for executive officers. Neither the Company nor the Board currently has any contractual arrangement with any executive compensation consultant. The Board reviews and makes determinations with respect to executive officer compensation on an *ad hoc* basis. When determining executive officers' compensation, the Board reviews the performance of executive officers based on their achievements during the preceding year.

The Board uses all the data available to it to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain key personnel. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of corporations. In the Board's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Company's business strategy, and general economic considerations.

#### Elements of Compensation

##### Base Fees or Salaries

Base fees or salaries are compensation for ongoing job responsibilities and reflect the level of skills, experience, expertise and capabilities demonstrated by the executive officers. Executive officers and the Board meet to determine what both sides consider to be fair and reasonable base fees or salaries. The Board must give final approval of these compensation arrangements. When considering the base compensation to be paid to executive officers, the Board must consider the risk that, if the compensation is

not adequate, it might result in a high turnover rate of executive officers which could be detrimental to the Company. As an early stage enterprise, however, it is necessary to strike a balance in this regard so that the compensation is not so high that the Company is unable to meet its obligations to its executive officers over the long term which could result in loss of that officer and the corporate knowledge and expertise that officer represents.

#### Short-Term Incentive Compensation

Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, the achievement of individual and corporate objectives, and the Company's financial performance. Cash bonuses are intended to reward executive officers for meeting or exceeding individual and corporate performance objectives set by the Board. It is the expectation that the Board will review this element of the Company's compensation program during fiscal 2024 to determine the impact, including the benefits and risks that offering short-term incentives to its executives, would have on the overall performance of RDT and its management team.

#### Long-Term Incentive Compensation

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company.

The Board believes that executive officers should have a stake in the future growth of the Company and that their interests should be aligned with those of Shareholders. The use of stock options is designed to motivate and retain the Company's personnel in order to achieve the results that ultimately benefit Shareholders. Executive officers who have an ability to directly impact the Company's business are eligible to participate in the Stock Option Plan (as defined below) for key employees, officers, directors and consultants.

Stock options may be awarded by the Board to executive officers at the commencement of their employment and/or annually, to encourage the work of these officers towards an increase of the value of the Common Shares and, from time to time, in order to reward an exceptional accomplishment.

In reviewing option grants, the Board gives consideration to the number of stock options already held by the executive officer, the level of responsibility assumed by the executive officer as well as his or her individual contribution to the success of the Company.

#### Benefits and Perquisites

In general, the Company intends to provide a specific benefit or perquisite when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. The limited perquisites the Company provides to its executives may include a parking allowance or reimbursement for their out-of-pocket costs. Historical payments of such benefits and perquisites are set out, respectively, in the Summary Compensation Table below.

#### Stock Option Plan

On August 27, 2009, shareholders of the Company approved a rolling stock option plan (the "**Stock Option Plan**"). Shareholders of the Company reapproved the Stock Option Plan on August 30, 2018 and December 6, 2019. Unless certain amendments are made to the Stock Option Plan, there is no requirement under the policies of the CSE or applicable securities laws for Shareholders to reapprove the Stock Option Plan. Shareholders may obtain a copy of the Stock Option Plan by contacting the Chief Financial Officer of the Company or on RDT's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The following is a summary of the material terms of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan:

- **Number of Shares Reserved.** The number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the time of the applicable grant of options.
- **Maximum Term of Options.** The term of any options granted under the Stock Option Plan is fixed by the Board and may not exceed five (5) years from the date of grant.
- **Non-Assignable.** The options are non-assignable and non-transferable.
- **Exercise Price.** The exercise price of options granted under the Stock Option Plan is to be determined by the Board at the date of the grant, provided that such exercise price is not less than the market price of the Common Shares at the date of the grant, subject to any minimum price permitted by any stock exchange on which the Common Shares may be listed at the date of the applicable grant.
- **Amendment.** The Board may amend the Stock Option Plan at any time and from time to time provided that no amendment may be made to any outstanding options without the consent of the optionee; however, an amendment may not be made without any necessary stock exchange or shareholder approvals.
- **Vesting.** The Board may determine vesting terms, if any; provided, however, in the absence of any particular vesting determination, the options will vest immediately unless the optionee is employed in investor relations activities, in which event the options will vest in stages over a period of 12 months with one quarter of such options vesting in each 3-month period.
- **Termination.** Unless otherwise determined by the Board, any options granted under the Stock Option Plan will terminate at the earlier of (a) the expiry of the original term of the option or (b) the applicable date in respect of whichever one of the following applies: (i) 6 months after the optionee dies or (ii) 30 days after the optionee ceases to be an officer, director or employee of the Company or one of its subsidiaries, or (iii) for consultants, in accordance with the terms of the applicable consulting agreement, as the case may be.
- **Administration.** The Stock Option Plan is administered by the Board.
- **Board Discretion.** The Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options will be determined by the Board.

The Board believes that the Stock Option Plan offers participants a competitive and stable level of equity-based compensation. The Board has determined that the Stock Option Plan is in the best interests of the Company and its Shareholders in order for the Company to continue to secure and retain key personnel and to provide additional motivation to such persons to exert their best efforts on behalf of the Company.

A maximum of 10,357,426 Common Shares are currently reserved for issuance under the Stock Option Plan. As at the date hereof, options to purchase 5,891,000 Common Shares under the Stock Option Plan are outstanding and unexercised and 4,466,426 are available for future grants.

### Named Executive Officers

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Company 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 Company, despite the amount of compensation received by that individual; (ii) each of the Company’s three (3) 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 compensation 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 Company at the end of the most recently completed financial year of the Company.

At the end of the Company’s most recently completed financial year, the Company had three Named Executive Officers: Mark Upsdell, the President and Chief Executive Officer, Jason Lewis, the Senior Vice-President Business Development and Doug Hyland, Interim Chief Financial Officer.

### Summary Compensation Table

The summary compensation table below shows detailed information regarding the compensation awarded to each director and Named Executive Officer for services rendered in all capacities during the two most recently completed financial years. For information concerning compensation related to previous years, please refer to the Company’s previous management information circulars available at [www.sedar.com](http://www.sedar.com).

**TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES**

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(4)</sup>	Total Compensation (\$)
Mark Upsdell, President, CEO and Director <sup>(1)</sup>	2023	150,000	Nil	Nil	Nil	5,597	155,597
	2022	150,000	Nil	Nil	Nil	61,572	211,572
Doug Hyland, Interim CFO	2023	150,000	Nil	Nil	Nil	70,181	220,181
	2022	150,000	Nil	Nil	Nil	175,238	325,238
Jason Lewis, SVP, Business Development and Director <sup>(2)</sup>	2023	150,000	Nil	Nil	Nil	5,597	155,597
	2022	150,000	Nil	Nil	Nil	61,572	211,572
Thomas Bryson, President <sup>(3)</sup>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	\$150,000	Nil	Nil	Nil	175,238	\$325,238
Peter Thilo Hasler, Director	2023	Nil	Nil	Nil	Nil	66,822	66,822
	2022	Nil	Nil	Nil	Nil	138,295	139,295

**Notes:**

- (1) Mark Upsdell was not compensated for his role as a director.
- (2) Jason Lewis was not compensated for his role as a director.
- (3) Thomas Bryson was appointed President on March 19, 2021 until completion of his employment agreement on March 19, 2022.
- (4) Stock option compensation – value of the options was calculated using the Black-Scholes option pricing model.

### Stock Options and Other Compensation Securities

Below is a summary of all option-based awards issued to each director and Named Executive Officer in the two most recently completed financial years for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

**TABLE OF COMPENSATION SECURITIES GRANTED**

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
Mark Upsdell, President, CEO and Director <sup>(1)</sup>	Options	500,000 11.1%	March 29, 2021	\$0.24	\$0.24	\$0.09	Expired
Doug Hyland, Interim CFO <sup>(2)</sup>	Options	500,000 11.1%	March 29, 2021	\$0.24	\$0.24	\$0.09	Expired
Doug Hyland, Interim CFO <sup>(2)</sup>	Options	300,000 14.2%	July 28, 2021	\$0.65	\$0.61	\$0.09	July 28, 2026
Jason Lewis, SVP, Business Development and Director <sup>(3)</sup>	Options	500,000 11.1%	March 29, 2021	\$0.24	\$0.24	\$0.09	Expired
Thomas Bryson, President <sup>(4)</sup>	Options	500,000 11.1%	March 29, 2021	\$0.24	\$0.24	\$0.09	Cancelled
Thomas Bryson, President <sup>(4)</sup>	Options	300,000 14.2%	July 28, 2021	\$0.65	\$0.61	\$0.09	Cancelled
Peter Thilo Hasler, Director <sup>(5)</sup>	Options	200,000 4.5%	March 29, 2021	\$0.24	\$0.24	\$0.09	Expired
Peter Thilo Hasler, Director <sup>(5)</sup>	Options	300,000 14.2%	July 28, 2021	\$0.65	\$0.61	\$0.09	July 28, 2026

**Notes:**

- (1) On February 28, 2023, Mark Upsdell held 11,769,390 Common Shares and 1,500,000 stock options.
- (2) On February 28, 2023, Doug Hyland held 1,500,000 Common Shares and 1,100,000 stock options.
- (3) On February 28, 2023, Jason Lewis held 10,000,000 Common Shares and 1,450,000 stock options.
- (4) Thomas Bryson's employment agreement ended March 19, 2022. His stock options were subsequently cancelled.
- (5) On February 28, 2023, Peter Thilo Hasler held Nil Common Shares and 500,000 stock options.

### Exercise of Stock Options

No compensation securities (including stock options) were exercised by any directors or Named Executive Officers during the two most recently completed financial years.

**Employment, consulting and management agreements**

The Company has entered into an employment agreement with Mark Upsdell, Chief Executive Officer, for services whereby he is compensated at the rate of \$300,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein) which includes a change of control of the Company, Mr. Upsdell would be entitled to his then base salary and benefits continuance and continued vesting of equity, for twenty four months.

The Company has entered into an employment agreement with Doug Hyland, interim Chief Financial Officer, for services whereby he is compensated at the rate of \$180,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein), Mr. Hyland would be entitled to his then base salary and benefits continuance and continued vesting of equity, for twenty four months. If Mr. Hyland is required to terminate his employment due to a change in control, restructuring or other corporate transaction requiring a replacement CFO, then Mr. Hyland would be entitled to twenty four months of compensation from the date of termination.

The Company has entered into an employment agreement with Jason Lewis, SVP Business Development, for services whereby he is compensated at the rate of \$240,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein) which includes a change of control of the Company, Mr. Lewis would be entitled to his then base salary or contract base salary, whichever is greater, and benefits continuance and continued vesting of equity, for twenty four months.

During the Covid-19 pandemic, each of the aforementioned executives agreed to temporarily waive a portion of the compensation they were entitled to receive under their respective employment agreements in order to conserve the Company's cash resources and provide for stability of its operations throughout the period covered by the pandemic. Accordingly, the base salary for each executive was set at \$150,000 annually; and the Company did not provide for the difference between the base salary entitlements in the employment agreements and \$150,000 in the Company's accounts as a payroll accrual in fiscal years 2021 through 2023. Depending on the Company's financial position going forward, the aforementioned executives' base salary may return to the amount entitled under their respective employment agreements.

Management functions of the Company are not, to any substantial degree, performed by any person other than the directors or executive officers of the Company.

The directors manage or supervise the management of the business and affairs of RDT. The executive officers perform the day-to-day management functions of RDT.

RDT has no written management agreements, consultant agreements, or arrangements with any other persons to provide any of these functions.

**Pension Plan Benefits**

No pension plan benefits have been instituted by the Company and none are proposed at this time. It is not anticipated that the Company will in the foreseeable future have any pension plans that provide for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the Named Executive Officers or directors of the Company.