

LOOPSHARE LTD.
(the “Company”)

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(For the Year Ended December 31, 2020)

GENERAL

The following information 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, a “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 (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (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) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a NEO 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.

DIRECTOR AND NEO COMPENSATION

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, 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 two most recently completed financial years ended December 31, 2020 and 2019. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities and Instruments” of this Form.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$) ⁽²⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$) ⁽²⁾	Value of perquisites (\$) ⁽²⁾	Value of all other compensation (\$) ⁽²⁾	Total compensation (\$) ⁽²⁾
Brooke Hurford ⁽³⁾ Chief Financial Officer	2020	\$86,400	Nil	Nil	Nil	Nil	\$86,400
	2019	\$86,400	Nil	Nil	Nil	Nil	\$86,400

Matthew Clayton ⁽⁴⁾ CEO and Executive Chair	2020 2019	\$78,000 \$52,000	Nil \$50,000	Nil Nil	Nil Nil	Nil Nil	\$78,000 \$102,000
Olen Aasen ⁽⁵⁾ Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Tommy Stephenson ⁽⁶⁾ Former Director	2020 2019	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Roop Mundi ⁽⁷⁾ Director	2020 2019	Nil \$20,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$20,000
Brian Grange ⁽⁸⁾ Former Director	2020 2019	Nil \$10,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$10,000
Evan Southern ⁽⁹⁾ Director	2020 2019	Nil \$10,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$10,000

NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Ms. Hurford was appointed CFO on November 23, 2018. Ms. Hurford receives a monthly consulting fee of \$7,200 pursuant to the terms of a consulting agreement. The Company may terminate the consulting agreement with Ms. Hurford by providing 30 days notice of termination.
- (4) Mr. Clayton was appointed as Executive Chair of the Company on July 17, 2019 and as Chief Executive Officer on October 15, 2020. Mr. Clayton receives a monthly consulting fee of \$6,500 through Hotsa Consulting Ltd. (“Hotsa”) pursuant to the terms of a consulting agreement. Hotsa was also paid a signing bonus of \$50,000. The Company may terminate the consulting agreement with Hotsa by providing 6 months notice of termination. Mr. Clayton also serves on the Board of Directors of the Company but is not compensated for his services as a director.
- (5) Mr. Aasen was appointed as a director on November 23, 2018. Mr. Aasen does not receive compensation directly from the Company. Mr. Aasen is a consultant of King & Bay West Management Corp. (“King & Bay West”). Mr. Aasen receives a consulting fee from the Company for the provision of legal services through King & Bay West which include a monthly consulting fee of \$4,000 and a signing bonus of \$50,000 paid in 2018. The Company may terminate the consulting agreement with King & Bay West by providing six months notice of termination. Mr. Aasen currently serves on the Board of Directors of the Company but is not compensated for his services as a director.
- (6) Mr. Stephenson was appointed as a director of the Company effective November 23, 2018 and received no compensation for his services as a director.
- (7) Mr. Mundi was appointed as a director of the Company effective June 18, 2019 and receives no compensation for his services as a director. Mr. Mundi was paid \$20,000 in consulting fees in 2019 for consulting services.
- (8) Mr. Grange was appointed as a director of the Company effective September 30, 2019 and received no compensation for his services as a director. Mr. Grange was paid \$10,000 in consulting fees in 2019 for consulting services.
- (9) Mr. Southern was appointed as a director of the Company effective September 30, 2019 and receives no compensation for his services as a director. Mr. Southern was paid \$10,000 in consulting fees in 2019 for consulting services.

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 director of the Company for the financial year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security (2) (3) (4)	Number of compensation securities, number of underlying securities, and percentage of class (1)	Date of issue or grant	Issue, conversation 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
Brooke Hurford, Chief Financial Officer	Stock Options	15,000 Options, 15,000 Common Shares, 0.49%	2020-01-03	4.00	4.00	0.70	2025-01-03
Matthew Clayton Executive Chair and CEO	Stock Options	50,000 Options, 50,000 Common Shares, 1.64%	2020-01-03	4.00	4.00	0.70	2025-01-03
Olen Aasen Director	Stock Options	35,000 Options, 35,000 Common Shares, 1.15%	2020-01-03	4.00	4.00	0.70	2025-01-03
Tommy Stephenson Former Director	Stock Options	5,000 Options, 5,000 Common Shares, 0.16%	2020-01-03	4.00	4.00	0.70	2025-01-03
Roop Mundi Former Director	Stock Options	5,000 Options, 5,000 Common Shares, 0.16%	2020-01-03	4.00	4.00	0.70	2025-01-03
Brian Grange Former Director	Stock Options	10,000 Options, 10,000 Common Shares, 0.33%	2020-01-03	4.00	4.00	0.70	2025-01-03
Evan Southern Director	Stock Options	10,000 Options, 10,000 Common Shares, 0.33%	2020-01-03	4.00	4.00	0.70	2025-01-03

NOTES:

- (1) As at December 31, 2020, 3,044,478 Common Shares were issued and outstanding. The total amount of compensation securities and underlying securities held by each NEO and director as at December 31, 2020 are as set out in the table above except for: M. Clayton: 15,000 Stock Options (15,000 Common Shares), O. Aasen 13,000 Stock Options (13,000 Common Shares), R. Mundi 5,000 Stock Options (5,000 Common Shares), T. Stephenson 5,000 Stock Options (5,000 Common Shares), and B. Hurford 1,500 Stock Options (1,500 Common Shares).
- (2) No compensation security held by a NEO or director has been repriced, cancelled and replaced, had its term extended, or otherwise been modified during financial year ended December 31, 2020.
- (3) The compensation securities detailed above vested over a period of one year, with the first 50% vesting on the date of grant and the second 50% vesting one year from the date of the grant.
- (4) There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended December 31, 2020:

Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised ⁽¹⁾	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Brooke Hurford, Chief Financial Officer	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Matthew Clayton Executive Chair and CEO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Olen Aasen Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Tommy Stephenson Former Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Roop Mundi Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Brian Grange Former Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
Evan Southern Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

NOTES:

- (1) No compensation securities were exercised by any NEOs or directors of the Company during the financial year ended December 31, 2020.

Stock Option Plan and Other Incentive Plans

The Company has no other incentive plans other than its stock option plan (the “**Plan**”). The Plan reserves for issuance a maximum of 10% of the Common Shares at the time of a grant of options under the Plan. The Plan is administered by the Board of Directors and provides for grants of non-transferable options under the Plan at the discretion of the Board of Directors to directors, senior officers, employees, management company employees of, or consultants to, the Company and its subsidiaries, or their permitted assigns (each an “**Eligible Person**”).

The Board of Directors has the authority under the Plan to determine the exercise price per Common Share at the time an option is granted, but such price shall not be less than the closing price of the Common Shares on the TSX Venture Exchange (“**TSXV**”) on the last trading day preceding the date on

which the grant of the option is approved by the Board of Directors. The Board of Directors also has the authority under the Plan to determine other terms and conditions relating to the grant of options, including any applicable vesting provisions, provided that any options granted to consultants performing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one-quarter of the options vesting in any three-month period.

The term of options granted under the Plan shall not exceed 10 years from the date of grant. However, as permitted by the Policy, the Plan has been amended to include an automatic extension of the expiry date associated with any option that expires during a trading blackout period imposed by the Company in accordance with insider trading policies. Under the Plan, if an option expires within a blackout period, the expiry date will be automatically extended to ten (10) business days following the date on which the blackout period is lifted.

All options granted under the Plan are not assignable or transferable other than by will or the laws of dissent and distribution. Other than Eligible Persons engaged in Investor Relations Activities, if an optionee ceases to be an Eligible Person for any reason whatsoever other than termination for cause or death, each fully vested option held by such optionee will cease to be exercisable 90 days following the termination date (being the date on which such optionee ceases to be an Eligible Person), provided that in no event shall such right extend beyond the expiry date of such options. If an optionee dies, the legal representative of the optionee may exercise the optionee's options within one year after the date of the optionee's death but only up to and including the original option expiry date.

The Plan contains a cashless exercise feature whereby, at the sole discretion of the Company, an option that is eligible for exercise may be exercised on a cashless basis instead of a participant making a cash payment for the aggregate exercise price of the options. There are two options for a cashless exercise of options that the Company has made available:

- (a) *Broker assisted cashless exercise:* The Company shall issue directly to the participant's broker the number of Common Shares in respect of such options exercised for cash and the participant's broker shall, at the election of the participant: (i) sell at market, and retain the proceeds of, a sufficient number of Common Shares to cover the aggregate purchase price of the Common Shares and any withholding obligations in respect of which the option has been exercised, with any cash balance to be delivered to the participant and any remaining Common Shares held by the participant's broker in trust for, or delivered as directed by, the participant; or (ii) sell at market all of the Common Shares in respect of which the option has been exercised and deliver to the participant the cash balance remaining after deducting the aggregate purchase price of such Common Shares and any withholding Obligations.
- (b) *Exchange for Substituted Rights:* The participant relinquishes his options in return for a substituted right to acquire from the Company a number of Common Shares determined by the in-the-money amount of option. The in-the-money amount of the option is divided by the market price at the time of exercise and the participant receives a net amount of Common Shares without any cash payment to the Company, other than for withholding obligations.

In adherence with the TSXV Policy 4.4 – *Incentive Stock Options* (the “**Policy**”), the Plan also includes the following limitations on stock option grants:

- (a) unless the Company obtains shareholder approval (which must be disinterested shareholder approval if required by the policies of the Exchange) the aggregate number of Common Shares issuable pursuant to options granted under the Plan, together with Common Shares issuable under any other Share Compensation Arrangement of the

Company shall not at any time exceed 10% of the number of Common Shares outstanding immediately prior to the grant of any such option;

- (b) the aggregate number of Common Shares issuable to any one Eligible Person who is a Consultant (as defined in the Plan) shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option;
- (c) the aggregate number of Common Shares issuable to all Eligible Persons retained in Investor Relations Activities shall not, within a one year period, exceed 2% of the number of Common Shares outstanding immediately prior to the grant of any such option; and
- (d) unless the Company obtains disinterested shareholder approval, the aggregate number of Common Shares issuable to any one Eligible Person (and where permitted, any companies that are wholly owned by that Eligible) shall not, within a one year period, exceed 5% of the number of Common Shares outstanding immediately prior to the grant of any such option.

Furthermore, the Plan provides that shareholder approval must be obtained to effect any of the following modifications to the Plan: (a) an increase in the benefits under the Plan; (b) an increase in the number of Common Shares which may be issued under the Plan; (c) modifications to the requirements as to the eligibility for participation in the Plan; (d) modifications to the limitations on the number of options that may be granted to any one person or category of persons under the Plan; (e) modifications to the method for determining the exercise price of options granted under the Plan; (f) an increase in the maximum option period; or (g) modifications to the expiry and termination provisions applicable to options granted under the Plan.

Employment, Consulting and Management Agreements

The material terms of the employment, consulting and management agreements of the Company are described under the heading “Director and NEO Compensation, Excluding Options and Compensation Securities”.

Oversight and Description of Director and NEO Compensation

During the financial year ended December 31, 2020, the Board of Directors of the Company had a compensation committee (the “Compensation Committee”) consisting of Olen Aasen, Roop Mundi and Tommy Stephenson. The Compensation Committee is responsible for making recommendations to the Board of Directors on all forms of compensation to be granted to the Named Executive Officers and the directors. Compensation of Named Executive Officers and directors is determined based on discussion by the Compensation Committee based on subjective factors, without any formal objectives, criteria or analysis. The Company’s Named Executive Officers are compensated through consulting agreements and or management services arrangements. The Compensation Committee does not have a pre-determined compensation plan and does not engage in benchmarking practices. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value; and (b) align management’s interests with the long-term interests of shareholders.

The key elements of executive compensation awarded by the Company are base salary or management fees. There is no policy or target regarding cash and non-cash elements of the Company’s compensation program. The Board of Directors is of the view that all elements should be considered, rather than any single element. The Company does not currently provide its NEOs with personal benefits and does not grant performance or other bonuses.

Long Term Incentives

The Company has a Stock Option Plan (the “Plan”) for the granting of stock options to the directors, officers and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company’s shareholders. The allocation of options under the Plan is determined by the Board of Directors which, in determining such allocations, considers such factors as previous grants to individuals, overall company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company’s affairs. The Company has not implemented a formal bonus program. Any bonuses are discretionary based on subjective factors determined by the Board of Directors and there are no pre-defined objectives, target amounts or caps. No bonuses, other than signing bonuses, were paid during the year ended December 31, 2020.

Hedging Restrictions

The Company does not have any policies that restrict an NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Risk Management and Assessment

In light of the Company’s size, current activity level and the balance between long-term objectives and short-term financial goals with respect to the Company’s executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

While the Company has not awarded any discretionary bonuses in the past three financial years, there is a risk associated with its approach to discretionary bonuses as there are no pre-defined objectives, target amounts or caps. As a result, there is some incentive for Named Executive Officers to take on unmanageable risk and unsustainable performance over the long term in order to achieve a short term discretionary bonus payout. The Company is aware of this risk and at such time the Company moves to a more advanced stage of development, it is expected that the Company will develop a bonus program with pre-defined objectives and target amounts in order to mitigate these risks.

The Company views stock options as a valuable tool for aligning the interest of management and Shareholders in the long-term growth and success of the Company. The Company is aware that stock option grants that vest immediately may create an incentive for management to maximize short term gains at the expense of the long-term success of the Company. In order to mitigate this risk, option grants are generally subject to vesting period of two years from the date of grant.

Director Compensation

During the fiscal year ended December 31, 2020, the Company had no formal director compensation program. No cash compensation was paid to the directors of the Company in their capacity as directors during the financial year ended December 31, 2020. During the year ended December 31, 2020, certain directors of the Company are not Named Executive Officers, were granted stock options to purchase Common Shares pursuant to the Company’s incentive stock option plan.

Changes Subsequent to Year-End

There have been no significant changes made to the Company’s compensation policies subsequent to the financial year ended December 31, 2020.

Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.