

**FORM 51-102F6V**

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**

**General**

For the purpose of this Statement of Executive Compensation:

“**Company**” means Cannabix Technologies 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 (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor 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; and

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

**Director and Named Executive Officer Compensation, excluding Compensation Securities**

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Kulwant Malhi <i>President and Director</i> <sup>(3)</sup>	2015	72,000	Nil	Nil	Nil	Nil	72,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Bryan Loree <i>CFO and Director</i> <sup>(2)</sup>	2015	72,000	Nil	Nil	Nil	Nil	72,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Mlait <i>CEO and Director</i> <sup>(1)</sup>	2015	72,000	Nil	Nil	Nil	Nil	72,000
	2014	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Mlait was appointed as a director of the Company on April 5, 2011 and as President and Chief Executive Officer on the same date. On July 21, 2014 Mr. Mlait resigned as President and Kulwant Malhi was appointed as President of the Company.

(2) Mr. Loree was appointed a director of the Company on April 5, 2011 and as Chief Financial Officer on the same date.

(3) Mr. Malhi was appointed a director of the Company on June 30, 2014 and as President on the same date.

### Stock Options and Other Compensation Securities

The Company has only granted stock options to NEOs and no other types of “compensation securities” to date.

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
Ravinder Mlait <i>CEO and Director</i>	Stock Options	600,000	May 12, 2016	0.35	0.30	N/A	May 12, 2021
	Stock Options	205,000	April 3, 2014	0.10	N/A	N/A	April 3, 2019
	Stock Options	630,000	October 22, 2014	0.125	0.09	N/A	October 22, 2019
Bryan Loree <i>CFO and Director</i>	Stock Options	600,000	May 12, 2016	0.35	0.30	N/A	May 12, 2021
	Stock Options	205,000	April 3, 2014	0.10	N/A	N/A	April 3, 2019
	Stock Options	630,000	October 22, 2014	0.125	0.09	N/A	October 22, 2019

### Compensation Securities

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Kulwant Malhi <i>President and Director</i>	Stock Options	600,000	May 12, 2016	0.35	0.30	N/A	May 12, 2021
	Stock Options	630,000	October 22, 2014	0.125	0.09	N/A	October 22, 2019

### Exercise of Compensation Securities by Directors and NEOs

The following table sets out each exercise by a director or NEO of compensation securities during the fiscal year ended 2015:

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised (#)	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 (\$)
Kulwant Malhi <i>President and Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bryan Loree <i>CFO and Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Mlait <i>CEO and Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Option Plans and Other Incentive Plans

The Option Plan is a “rolling” stock option plan, which makes a maximum of 10% of the issued and outstanding Common Shares available for issuance thereunder. The policies of the Exchange require that a rolling plan such as the Option Plan be approved by the Shareholders on an annual basis.

The purpose of the Option Plan is to provide directors, officers and key employees of, and certain other persons who provide services to, the Company with an opportunity to purchase Common Shares of the Company at a specific price, and subsequently benefit from any appreciation in the value of the Common Shares. This provides an incentive for such persons to contribute to the future success of the Company and enhances the ability of the Company to attract and retain skilled and motivated individuals, thereby increasing the value of the Common Shares for the benefit of all Shareholders.

The exercise price of stock options granted under the Option Plan will be determined by the Board and will be priced in accordance with the policies of the Exchange, and will not be less than the closing price of the Common Shares on the Exchange on the date prior to the date of grant less any allowable discounts. All options granted under the Option Plan will have a maximum term of five years.

The Option Plan provides that it is solely within the discretion of the Board of Directors to determine who should receive options and how many they should receive. The Board may issue a majority of the options to insiders of the Company. However, the Option Plan provides that in no case will the Option Plan or any existing share compensation arrangement of the Company result, at any time, in the issuance to any option holder, within a one-year period, of a number of Common Shares exceeding 5% of the Company's issued and outstanding Common Share capital.

The 10% Rolling Option Plan is subject to yearly approval by the Company's shareholders. The 10% Rolling Option Plan was last approved by the Company's shareholders on May 11, 2016. A copy of the Company's incentive stock option plan is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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

On February 20, 2013, the Company entered into employment agreements with two NEOs (Bryan Loree, CFO and Ravinder Mlait, CEO). Subsequently on June 15, 2014, the Company entered into consulting agreements with Bryan Loree and Ravinder Mlait which superseded the prior employment agreements. On June 15, 2014, the Company entered into a consulting agreement with NEO, Kulwant Malhi, President. On February 1, 2016, the Company amended the monthly consulting agreement with Kulwant Malhi. On April 1, 2016, the Company amended the monthly consulting agreement with Ravinder Mlait.

### **Termination and Change of Control Benefits**

The three consulting agreements with NEOs provide that in the event of position changes for any reason, or if there is a change of control, the Company will pay the NEO a minimum of eighteen months' salary if any such change happens. In event of termination, the Company will pay the consultant four month's salary for each year that the consultant has been a consultant to the Company, with a minimum of twelve months' salary payable for any termination before the third anniversary of the commencement of the agreements.

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

The Board is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company.

The Board is responsible for determining compensation for NEOs of the Company to ensure it reflects the responsibilities and risks of being an Officer of a public company.

### **Objectives and Philosophy of the Compensation Program**

The overall compensation program is intended to attract and retain competent, committed individuals who will ensure the long-term success of the Corporation by rewarding performance and contributions to the achievement of corporate goals and objectives. The Corporation strives to maintain alignment between the interests of Shareholders with those of executives and key employees. To this end, salaries for the Chief Executive Officer and certain of the key employees, have been held significantly below market, and

employees and executives have been awarded stock options, allowing the Corporation to offer a competitive compensation package and encouraging investment in the Corporation.

### **Criteria for Compensation**

The compensation policy is based largely upon the market value of the type of job the individual performs, the experience, skills, knowledge and responsibilities of the individual and their level of individual performance.

### **Elements of Compensation and Determination of Amounts for Each Element**

The Corporation strives to provide a competitive compensation package, with a direct link to corporate performance, by emphasizing the components of cash and stock options to motivate highly qualified personnel. To this end, the Corporation compensates its executive officers through base salary and the award of stock options to acquire common shares ("Options") under the stock option plan ("Option Plan"), all at levels which the Corporation believes are reasonable in light of the performance of the Corporation under the leadership of the executive officers.

### **Base Salary / Management Fee**

Base salary is intended to compensate core competencies in the executive role relative to skills, level of responsibility, industry experience, individual performance and contribution to the growth of the Corporation. Base salary provides fixed compensation determined by reference to competitive market information. Salaries of certain executive officers have historically been kept significantly below those of the industry and general marketplace because a greater emphasis is placed on Options in order to better align the interests of executives with those of shareholders. Base salaries for executive officers are reviewed by the Board of Directors to ensure they are appropriate so as to protect the ability of the Corporation to hire and retain key personnel.

### **Options**

Long-term equity-based incentive compensation through the granting of Options is an important element of the compensation policy because it rewards long-term performance by allowing executive officers and employees to participate in the long-term market appreciation of the common shares and the overall growth of the Corporation. The Board believes that the granting of Options is required for the Corporation to be competitive from a total remuneration standpoint and to encourage retention. The granting of Options also promotes the alignment of interests of shareholders and executives.

With respect to the granting of Options, the Board reviews the recommendation of the CEO regarding Option awards. The CEO bases his decision upon the seniority, level of responsibility and the contribution of each individual toward the Corporation's goals and objectives. Consideration is also given to the overall number of Options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of Options.

At the time of the last the approved Stock Option Plan dated May 11, 2016, allows for a maximum number of shares which can be issued at 7,725,757. Pursuant to the terms of the Option Plan, the Board has the discretion to determine the fixed term of the option, which shall not exceed ten years, and vesting provisions of the stock options at the time of granting, including earlier termination provisions for the stock options. The Board shall have the discretion to amend the date upon which stock options will terminate on a case by case basis.

## **Benefits**

The NEOs are eligible to participate in the same benefits as offered to all full-time employees. The Corporation does not view these benefits as a significant element of its compensation structure but does believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

## **Assessment of Compensation**

The compensation of the CEO is determined by the Board and the compensation for all other executive officers is determined by the Board after consideration of the recommendations of the CEO. The Corporation recognizes that past and future success of the Corporation relies on its people and strives to foster compensation packages that promote the attraction, retention and development of quality personnel. Although salaries have historically been significantly below market, total compensation of executive officers is targeted to be competitive against similarly sized companies within the industry.

## **Director Compensation**

Director compensation is determined through review of market rates that other directors are being paid on boards of similar types of companies of similar size. Currently directors are not paid by the Company however participate in the Company's stock option plan.

## **Discussion of NEO's Compensation**

All significant elements of NEOs compensation has been previously disclosed in this Statement and other disclosure documents filed on SEDAR.

## **Pension Plan Benefits**

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.