

LEEF BRANDS INC.
(the "Company")

2500 Park Place, 666 Burrard Street, Vancouver, British Columbia Canada V6C 2X8
Tel: (408) 307-9366 / Fax: (408) 617-7619

Form 51-102F6V
Statement of Executive Compensation – Venture Issuers
(for the financial year ended December 31, 2022)

GENERAL

The following information, dated as of December 31, 2022 (unless otherwise noted), is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the "**Form**"), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of the below disclosure:

"**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;

"**NEO**" or "**named executive officer**" 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 *Statement of Executive Compensation - Venture Issuers*, for that financial year; and
- (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.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation provides a summary of all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity, other than stock options and other compensation securities, for each of the two most recently completed financial years ended December 31, 2022 and

December 31, 2021. Options and other compensation securities are disclosed under the heading "**Stock Options and Other Compensation Securities**" of this Form.

Table of compensation excluding compensation securities

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Micah Anderson⁽¹⁾ Chief Executive Officer and Director	2022 2021	\$209,615 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$209,615 N/A
Emily Heitman⁽²⁾ Chief Revenue Officer and Director	2022 2021	\$173,077 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$173,077 N/A
Kevin Wilson⁽³⁾ Chief Financial Officer	2022 2021	\$154,540 N/A	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$154,540 N/A
Mark Smith⁽⁴⁾ Former Executive Chairman and former Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Brandon Kou⁽⁵⁾ Former Chief Executive Officer and former Director	2022 2021	\$152,500 \$150,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$152,500 \$150,000
Christopher Cherry⁽⁶⁾ Former Interim Chief Financial Officer and former Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Eugene Beukman⁽⁷⁾ Former Chief Financial Officer and former Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Nishal R. Kumar⁽⁸⁾ Former Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Ripal Patel⁽⁹⁾ Former Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Suhas Patel⁽¹⁰⁾ Former Director	2022 2021	Nil \$130,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil \$130,000

Notes:

- (1) Micah Anderson was first elected as a director effective June 21, 2022. Effective March 2, 2023, Micah Anderson was appointed as Chief Executive Officer.
- (2) Emily Heitman was first elected as a director effective June 21, 2022. Effective August 4, 2023, Emily Heitman, was appointed as Chief Revenue Officer.
- (3) Kevin Wilson was appointed as Chief Financial Officer effective December 1, 2022.
- (4) Mark Smith resigned from the Board effective May 31, 2023.
- (5) Brandon Kou resigned as Chief Executive Officer effective August 31, 2022 and from the Board effective March 2, 2023.
- (6) Christopher Cherry resigned from the Board effective June 21, 2022.
- (7) Eugene Beukman resigned from the Board effective April 1, 2022.
- (8) Nishal R. Kumar resigned from the Board effective June 21, 2022.

(9) Ripal Patel resigned from the Board effective June 21, 2022.

(10) Suhas Patel resigned from the Board effective June 21, 2022.

External Management Companies

The Company has not executed any employment, consulting or management agreements with any external management companies.

Stock Options and Other Compensation Securities

The following table describes all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the most recently completed financial year ended December 31, 2022, 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	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (M/D/Y)	Issue, conversion or exercise price (CAD\$)	Closing price of security or underlying security on date of grant (CAD\$)	Closing price of security or underlying security at year end (CAD\$)	Expiry Date (M/D/Y)
Micah Anderson ⁽¹⁾ Chief Executive Officer and Director	Options	7,508,259 ⁽¹¹⁾ (0.71%) ⁽¹³⁾	04/20/2022	\$0.185	\$0.185	\$0.06	04/20/2027
Emily Heitman ⁽²⁾ Chief Revenue Officer and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Kevin Wilson ⁽³⁾ Chief Financial Officer	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mark Smith ⁽⁴⁾ Former Executive Chairman and former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Brandon Kou ⁽⁵⁾ Former Chief Executive Officer and former Director	RSU	5,597,985 ⁽¹²⁾ (0.53%) ⁽¹³⁾	12/01/2022	N/A	\$0.072	\$0.06	12/01/2023
Christopher Cherry ⁽⁶⁾ Former Interim Chief Financial Officer and former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

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 (M/D/Y)	Issue, conversion or exercise price (CAD\$)	Closing price of security or underlying security on date of grant (CAD\$)	Closing price of security or underlying security at year end (CAD\$)	Expiry Date (M/D/Y)
Eugene Beukman ⁽⁷⁾ Former Chief Financial Officer and former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Nishal R. Kumar ⁽⁸⁾ Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Ripal Patel ⁽⁹⁾ Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Suhas Patel ⁽¹⁰⁾ Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Micah Anderson was first elected as a director effective June 21, 2022. Effective March 2, 2023, Micah Anderson was appointed as Chief Executive Officer.
- (2) Emily Heitman was first elected as a director effective June 21, 2022. Effective August 4, 2023, Emily Heitman was appointed as Chief Revenue Officer.
- (3) Kevin Wilson was appointed as Chief Financial Officer effective December 1, 2022.
- (4) Mark Smith resigned from the Board effective May 31, 2023.
- (5) Brandon Kou resigned as Chief Executive Officer effective August 31, 2022 and from the Board effective March 2, 2023.
- (6) Christopher Cherry resigned from the Board effective June 21, 2022.
- (7) Eugene Beukman resigned from the Board effective April 1, 2022.
- (8) Nishal R. Kumar resigned from the Board effective June 21, 2022.
- (9) Ripal Patel resigned from the Board effective June 21, 2022.
- (10) Suhas Patel resigned from the Board effective June 21, 2022.
- (11) During the financial year ended December 31, 2022, Mr. Anderson was granted 7,508,259 Options exercisable for 7,508,259 Common Shares.
- (12) During the financial year ended December 31, 2022, Mr. Kou was granted 5,597,985 RSUs representing 5,597,985 Common Shares issuable on settlement. All 597,985 RSUs vested and were settled through the issuance of Common Shares following Mr. Kou's resignation from the Board on March 2, 2023.
- (13) Calculated on an undiluted basis, based on 1,064,243,100 Common Shares outstanding as of December 31, 2022.

Exercise of Compensation Securities by Directors and NEOs

During the financial year ended December 31, 2022 no incentive compensation securities were exercised by any director or NEO.

Stock Option Plans and Other Incentive Plans

The Company currently has the following equity compensation plans: a 10% "rolling" stock option plan (the "**Stock Option Plan**") and a 10% "rolling" restricted share unit plan (the "**RSU Plan**").

Stock Option Plan

At the Company's annual shareholder meeting held on June 21, 2022, shareholders approved the adoption of the Stock Option Plan. Pursuant to the Stock Option Plan, the board of directors (the "**Board**") of the Company may from time to time, at its discretion, and in accordance with the Canadian Securities Exchange

(the "CSE") requirements grant to directors, officers, employees or consultants of the Company or a subsidiary of the Company stock options (each, an "**Option**"). Pursuant to the policies of the CSE, the Stock Option Plan is next required to be approved by shareholders on or before June 21, 2025.

The Stock Option Plan was established to provide incentives to eligible participants to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company.

The Board (or such other committee the Board may appoint) is responsible for administering the Stock Option Plan. The Stock Option Plan provides that Options may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The Stock Option Plan provides that the number of common shares in the capital of the Company ("**Common Shares**") issuable under the Stock Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Company's issued and outstanding Common Shares from time to time. All of the outstanding stock options of the Company issued under the Company's prior stock option plan (the "**Prior Stock Option Plan**") were amended such that they are governed by the terms of the Stock Option Plan and no longer governed by the terms of the Prior Stock Option Plan.

As at the end of the Company's financial year ended December 31, 2022, there were a total 140,065,040 Options outstanding.

Material Terms to the Stock Option Plan

The following information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan:

- (1) *Participants.* Directors, officers, employees and consultants of the Company and its affiliates, or who are providing services to the Company or its affiliates.
- (2) *Non-Transferability.* Options granted under the Stock Option Plan are non-assignable, and non-transferable.
- (3) *Ceasing to be Employed.* Options will expire within 30 days after the date the Option Holder (as defined in the Stock Option Plan) ceases to be employed by or provide services to the Company unless the Option Holder ceases to hold such position as a result of (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date shall be the date the Option Holder ceases to hold such position.
- (4) *Death of an Option Holder.* If an Option Holder dies, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.
- (5) *Exercise Price.* The exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Market Value (as defined in the Stock Option Plan).
- (6) *Vesting.* The vesting schedule for an Option, if any, shall be determined by the Board and shall be set out in the Option Certificate (as defined in the Stock Option Plan) issued in respect of the Option.

- (7) *Termination.* The Board reserves the right in its absolute discretion to terminate or suspend the Stock Option Plan with respect to all Common Shares in respect of Options which have not yet been granted.

RSU Plan

The Board approved and adopted the RSU Plan effective as of September 30, 2022. Pursuant to the RSU Plan, the Board may from time to time, at its discretion, and in accordance with CSE requirements grant to directors, officers, employees or consultants of the Company or a subsidiary of the Company restricted share units (each, an "RSU"). In accordance with the policies of the CSE, the Company intends to seek shareholder approval of the RSU Plan on or before September 30, 2025.

The RSU Plan is designed to promote and advance the interests of the Company by (i) providing directors, officers, employees and consultants of the Company or any of its subsidiaries or any personal holding company of any of the foregoing with additional incentive through an opportunity to receive discretionary bonuses in the form of Common Shares, (ii) encouraging stock ownership by such participants, (iii) increasing the proprietary interest of participants in the success of the Company, and (iv) increasing the ability to attract, retain and motivate participants.

The Board (or such other committee the Board may appoint) is responsible for administering the RSU Plan. The RSU Plan provides that RSUs may be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The RSU Plan provides that the number of Common Shares issuable under the RSU Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Company's issued and outstanding Common Shares from time to time.

As at the end of the Company's financial year ended December 31, 2022, 6,615,836 RSUs were vested, 652,015 RSUs were forfeited, and no RSUs were exercised.

Material Terms to the RSU Plan

The following information is intended to be a brief description of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan.

- (1) *Participants.* Directors, officers, employees and consultants of the Company or any of its subsidiaries or any personal holding company of any of the foregoing.
- (2) *Compliance with Legislation.* The RSU Plan, the terms of the issue or grant and the settlement of RSUs shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the CSE and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. If Common Shares cannot be issued to a participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a participant in any way.
- (3) *Settlement of RSUs.* An RSU may be settled by a participant during the Settlement Period (as defined in the RSU Plan) by delivery of a notice to the Company of such settlement. Upon such notice, the Company, at its election, will issue such participant the number of Common Shares equal to the number of RSUs then being settled, or pay such participant an amount in cash, net of

applicable taxes and contributions to government sponsored plans, equal to the market price of one Common Share for each RSU then being settled. Where, prior to the Expiry Date (as defined in the RSU Plan), a participant fails to elect to settle an RSU, the participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.

- (4) *Dividend RSUs.* Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a participant's account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a participant's account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such participant had they been holding such number of Common Shares equal to the number of RSUs on the date on which cash dividends are paid on the Common Shares and the market price of the Common Shares on the payment date.
- (5) *Vesting.* Pursuant to the RSU Plan, there are no mandatory vesting provisions. RSUs granted under the RSU Plan may contain vesting conditions, determined at the discretion of the Board (or a committee thereof).
- (6) *Non-Transferability.* RSUs shall not be transferable or assignable by the participant otherwise than by will or the laws of descent and distribution.
- (7) *Termination of Service.* All RSUs held by the participant shall terminate automatically upon the termination of the participant's service with the Company, other than in the case of: (A) termination for cause or in the event of the participant's death, in which case, unvested RSU shall vest automatically and the participant's RSUs may be settled during the subsequent 90 day period; or (B) voluntary resignation, in which case, unvested RSU shall terminate automatically and the participant's vested RSUs may be settled during the subsequent 90 day period.
- (8) *Termination and Amendments.* The Board may amend, suspend or terminate the RSU Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval. No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any participant without the consent of such participant. With the consent of the affected participant, the Board may amend or modify any outstanding RSU, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the CSE where necessary.
- (9) *Change of Control.* Upon an actual or potential change of control, the Board may (i) accelerate the vesting date of any RSU; (ii) permit the conditional settlement of any RSU; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting participants to settle any RSU, to assist the participants to tender the underlying Common Shares to, or participate in, the actual or potential event triggering the change of control; and (iv) terminate, following the successful completion of such change of control, the RSUs not settled prior to the successful completion of such change of control, including, for no payment or other compensation.
- (10) *Share Adjustments.* The RSU Plan contains provisions for adjustment in the number of Common Shares issuable on redemption of RSUs in the event of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change.

Employment, Consulting and Management Agreements

Other than as set out herein, the Company has no agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided

to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

Micah Anderson

The Company entered into an employment agreement with Micah Anderson pursuant to which Mr. Anderson agreed to act as Chief Executive Officer of the Company and entitling him to receive (i) payment of an annual base salary of USD \$250,000 per year; (ii) annual incentive bonus up to 100% of Mr. Anderson's base salary; (iii) annual grant of Options and/or RSUs as part of the Company's annual compensation review; and (iv) extended health benefits. Additionally, in accordance with Mr. Anderson's employment agreement, upon closing of the acquisition of all of the common stock of LEEF Holdings, Inc. pursuant to the terms of a merger agreement among the Company, its wholly-owned subsidiary, Icanic Merger Sub, Inc., LEEF holdings, Inc. and Mr. Anderson dated January 21, 2022, the Company granted Mr. Anderson 7,508,259 Options, whereby each Option entitles the holder thereof to acquire one Common Share at price of \$0.185 per Common Share for a period of five years from the date of issuance, vesting in 36 equal monthly installments over three years.

Mr. Anderson's employment agreement can be terminated: (i) immediately for cause (subject to notice and cure period with respect to a material breach of Mr. Anderson's employment obligations); (ii) without cause (or if Mr. Anderson resigns in the event of constructive dismissal) by paying a termination fee equivalent to 24 months salary, a prorated incentive bonus, payment of any outstanding expenses and any other amounts required by law; or (iii) on death or disability.

In the event of a change of control of the Company, or if Mr. Anderson either is terminated (other than for cause, death or disability) or resigns in the event of constructive dismissal, any then unvested Options or RSUs will become fully vested.

Brandon Kou

The Company had an employment agreement with Brandon Kou entitling him to receive (i) payment of an annual Base Salary of USD \$150,000 per year, paid bi-monthly; (ii) annual stock options as part of the Company's annual compensation review; and (iii) extended health benefits.

Mr. Kou's employment agreement could be terminated: (i) immediately for just cause subject to notice and cure period; or (ii) without cause by providing three months notice.

Mr. Kou resigned as the Company's Chief Executive Officer effective August 31, 2022, but continued on as a director of the Company until March 2, 2023.

Estimated Incremental Payments

Under the terms of the agreement with Mr. Anderson, the estimated incremental payments that would be payable to Mr. Anderson in the event Mr. Anderson is terminated by the Company without cause (or if Mr. Anderson resigns in the event of constructive dismissal), assuming such event occurred on December 31, 2022, would be approximately \$500,000.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Review Process

During the Company's most recently completed financial year ended December 31, 2022, all tasks related to developing and monitoring the Company's approach to the compensation of its NEOs and directors were performed by the Board as a whole. In determining compensation, the Board considers industry standards and financial situation. The compensation of the NEOs, directors and the Company's employees or consultants was reviewed, recommended and approved by the Board without reference to any formal objectives or any specific formula or criteria. The performance of each executive officer is informally monitored by the Board having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

The Company does not have a compensation committee.

The Board is responsible for the overall compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the Company's goals. The Company's current compensation program is comprised of short-term compensation in the form of a base salary and long-term ownership through the Stock Option Plan and the RSU Plan.

The Board believes that the granting of Options and other share-based awards is an effective way to support the achievement of the Company's long-term performance objectives, ensure executive, employee and consultant commitment to the longer term interests of the Company' and its shareholders and provide compensation opportunities to attract, retain and motivate employees critical to the success to the Company.

The Board as a whole is responsible for reviewing and approving corporate goals and objectives relevant to an executive officer's compensation, evaluating the executive officer's performance in light of those goals and objectives and making recommendations with respect to the executive officer's future compensation, based on the evaluation. In making compensation decisions, the Board strives to find a balance between short-term and long-term compensation and cash versus equity incentive compensation. Base salaries and discretionary cash bonuses primarily reward recent performance and Options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The annual salary for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time. The NEOs' performances and salaries are reviewed periodically. Increases in salary are evaluated on an individual basis and are performance-based. The amount and award of cash bonuses to key executives and senior management is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board reviews the compensation of NEOs and will make adjustments, if appropriate, to ensure that the compensation of the NEOs is commensurate with the services they provide.

Risks Associated with the Company's Compensation Practices

The Board has considered the implications of the risks associated with the Company's compensation policies and practices. The Board is responsible for setting and overseeing the Company's compensation

policies and practices. The Board does not provide specific monitoring and oversight of compensation policies and practices, but does review, consider and adjust these matters annually. The Company does not use any specific practices to identify and mitigate compensation policies that could encourage a NEO or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Company has not identified any risks arising from its compensation practices that are reasonably likely to have a material adverse effect on the Company.

Philosophy and Objectives

The compensation program for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation.

Compensation paid to the NEOs is based on the size and stage of development of the Company and reflects the need to provide incentive and compensation for the time and effort expended by the NEOs, while taking into account the financial and other resources of the Company, as well as increasing shareholder value.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Elements of Executive Compensation Program

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Company's Stock Option Plan.

Base Salary or Consulting Fees

Base salary is the principal component of executive compensation. The base salary for each executive is established by the Board based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance are also taken into account in determining base salary levels for executives. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers.

Bonus Payments

Other than as set out in this Form, each of the NEOs, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's

assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance), operational criteria and the attainment of corporate milestones.

Other than as set out in this Form, the Company did not award any bonuses for the last two financial years ended December 31, 2022 and December 31, 2021.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Stock Option Plan and RSU Plan. Options and/or RSUs are granted to executives and employees taking into account a number of factors, including the amount and term of Options and/or RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options and RSUs granted are determined by the Board.

Benefits and Perquisites

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives. Limited perquisites the Company provides its executives may include a parking allowance or a fee for each Board or Audit Committee meeting attended, to assist with their out-of-pocket expenses.

Hedging by Directors or NEOs

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

As of the date of this Form, entitlement to grants of Options under the Company's Stock Option Plan under and the Company's RSU Plan are the only equity security elements awarded by the Company to its executive officers and directors.

Pension Plan Benefits

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.