

FORM 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

General

For the purpose of this Statement of Executive Compensation:

“**Company**” means Torino Power Solutions 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:

⁽¹⁾ As at June 15, 2016 Mr. Mlait holds the following options to purchase common shares of the Company: (a) 700,000 common shares of the Company at \$0.15 per share expiring on May 13, 2021.

⁽²⁾ As at June 15, 2016 Mr. Loree holds the following options to purchase common shares of the Company: (a) 700,000 common shares of the Company at \$0.15 per share expiring on May 13, 2021.

⁽³⁾ As at June 15, 2016 Mr. Singh holds the following options to purchase common shares of the Company: (a) 700,000 common shares of the Company at \$0.15 per share expiring on May 13, 2021.

⁽⁴⁾ As at December 31, 2015, the Company was not listed on any exchange.

⁽⁵⁾ Based on 27,820,488 Common Shares issued and outstanding as of June 15, 2016.

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 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 (\$)
Suresh Singh <i>President and Director</i> ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bryan Loree <i>CFO and Director</i> ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ravinder Mlait <i>CEO and Director</i> ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Darren Fast	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Stock Option Plans and Other Incentive Plans

There were no stock options issued by the Company during the Company's most recently completed financial year ended December 31, 2015.

The Company has provided details on its proposed Stock Option Plan in its May 20, 2016 Information Circular and Notice. The Company is seeking approval of Stock Option Plan at its annual general meeting to be held on June 30, 2016. Further details regarding the Company's incentive stock option plan can be reviewed in the Company's Information Circular and Notice filed on SEDAR.

The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company established a formal plan under which stock options may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel which is critical to the Company's

success. The Board is responsible for administering the Company's stock option plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company including the awards of any stock options under a stock option plan. Stock options are typically part of the overall compensation package for executive officers.

All grants of stock options to the NEOs are reviewed and approved by the Board. In evaluating option grants to an NEO, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package.

Employment, Consulting and Management Agreements

Rav Mlait entered into an consulting agreement with the Company effective September 1, 2015, whereby Mr. Mlait agreed to provide management services as Chief Executive Officer at \$10,000 per month. Bryan Loree entered into an consulting agreement with the Company effective September 1, 2015, whereby Mr. Loree agreed to provide management services as Chief Financial Officer at \$10,000 per month. Suresh Singh entered into an consulting agreement with the Company effective September 1, 2015, whereby Mr. Singh agreed to provide management services as President at \$10,000 per month.

Termination and Change of Control Benefits

There are currently no termination and change of control benefits in the consulting agreements with NEOs.

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. Effective September 1, 2015 to present, NEOs have deferred payment of their management fees and anticipate that all or some portion of accrued payments will be converted into common shares of the Company in order conserve cash for corporate objectives.

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.

The Option Plan allows for a maximum number of shares which can be issued at 2,782,049. 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. The Board provides final approval.

Discussion of NEO's Compensation

All significant elements of NEOs compensation has been previously disclosed in this Statement.

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.