**Vext Science, Inc.**
Suite 2250, 1055 West Hastings Street
Vancouver, British Columbia V6E 2E9
Tel: (604) 688-9588
www.vextscience.com

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS
**(for financial years ended December 31, 2018 and 2019)**

## GENERAL

The following information, dated October 19, 2020, 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.

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**" or "**NEOs**") listed in the Summary Compensation Table set out below. In accordance with applicable securities legislation, as at December 31,2019, the Company had two Named Executive Officers; being Jason T. Nguyen, CEO, Chairman of the Board, and a director, and Robert J. Brilon, President, CFO, Corporate Secretary and a director.

For the purposes of this Form:

"**Company**" means Vext Science, 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 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**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, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(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;

(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 NAMED EXECUTIVE OFFICER COMPENSATION

<u>During financial year ended December 31, 2019</u>, based on the definition above, the NEOs of the Company were: Jason T. Nguyen (CEO and Director), and Robert J. Brilon (Former President, CFO, Corporate Secretary, and Director). The directors of the Company who were not NEOs during financial year ended December 31, 2019 were David Eaton and Jonathon Shelton.

The Company is authorized to issue an unlimited number of common shares without par value ("**Subordinated Voting Shares**"), each carrying the right to one vote, and an unlimited number of Multiple Voting Shares, each convertible into 100 Subordinated Voting Shares. The Company's Subordinated Voting Shares are listed on the Canadian Securities Exchange (CSE) under stock symbol "VEXT".

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. In determining executive compensation, the Board considers the Company's financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of the Company in the mid and long-term.

### 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 NEOs and directors of the Company who were not NEOS for the financial years ended December 31, 2018 and 2019 in US dollars. Options and compensation securities are disclosed under the heading "**Stock Options and Other Compensation Securities**" in this Form.

| Table of compensation excluding compensation securities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and Principal Position** | **Year** | **Salary, consulting fee, retainer or commission ($)** | **Bonus ($)** | **Committee or meeting fees ($)** | **Value of Perquisites ($)** | **Value of all other compensation ($)** | **Total compensation ($)** |
| Jason T. Nguyen(1) CEO, Executive Chairman of the Board, and Director | 2018<br>2019 | 390,000<br>370,231 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | $390,000<br>$370,231 |
| Robert J. Brilon(2) Former President, CFO, Corporate Secretary and Director | 2018<br>2019 | 237,091<br>291,942 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | $237,091<br>$291,942 |
| David Eaton Director | 2018<br>2019 | Nil<br>19,800 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>$19,800 |
| Jonathon Shelton Director | 2018<br>2019 | 20,800<br>20,800 | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |

Notes:

(1) Jason T. Nguyen received $390,000 in 2018 and $370,231 in 2019 in relation to his employment with the Company and nil in relation to his position as a director of the Company. In addition to his position, Jason T. Nguyen was appointed Executive Chairman of the Board on February 20, 2020.

(2) Robert J. Brilon received $237,091 in 2018 and $291,942 in 2019 in relation to his employment with the Company and nil in relation to his position as a director of the Company. In addition to his position, Robert J. Brilon was appointed Corporate Secretary, President and Director in April 2019. On February 7, 2020, Mr. Brilon resigned as the President, CFO, Corporate Secretary, and Director.

### Stock Option Plan and Oher Compensation Plans

***10% "rolling" Stock Option Plan* (Option-Based Awards)**

The Company has in place a 10% rolling share option plan (the "**Option Plan**"), which became effective in January 2019.

The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Subordinated Voting Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Option Plan provides that the number of Subordinated Voting Shares issuable under the 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 Subordinated Voting Shares.

The Option Plan is administered by the board of directors of the Company or by a special committee of the directors appointed from time to time by the board of directors of the Company. The maximum term may not exceed ten (10) years from the date of grant.

Pursuant to the Option Plan, the Company may issue Options for such period and exercise price as may be determined by the Board, and in any case not exceeding ten years from the date of grant. The Company may issue Options equal to not more than 10% of the then issued and outstanding Subordinated Voting Shares. The minimum exercise price of an option granted under the Option Plan must not be less than the fair market value of a Subordinated Voting Share on the date such option is granted, and if the Subordinated Voting Shares are listed on a recognized stock exchange, will be subject to the minimum exercise price permitted by such stock exchange.

Unless accelerated in accordance with the Option Plan, all options, whether vested or unvested, shall terminate immediately upon the Company terminating the optionee's employment or contractual relationship with the Company or any related company for cause. Options shall be terminated, to the extent not previously exercised, upon the occurrence of the first of the following events: (i) the expiration of the option as designated by the Board; (ii) in the case of termination of employment by the Company without cause, or the failure of a director standing for election to be re-elected, or the failure of the Company to renew a contract for services at the end of its terms (other than a contract or employment relating to Investor Relations Activities (as such term is defined in the policies of the CSE), the date which is 90 days after the date of termination; (iii) in the case of a termination of a contract or employment relating to Investor Relations Activities, the date which 30 days from the date of termination; (iv) in case of the death of the optionee, the date which is one year after the death; and (v) in all other cases, the date of termination.

The foregoing summary of the Option Plan is not complete and is qualified in its entirety by reference to the Option Plan, which is available on the Company's SEDAR profile page at www.sedar.com.

**Stock Options and Other Compensation Securities**

**Outstanding Compensation Securities**

The following table discloses the particulars of the option-based awards granted to the NEOs and Directors pursuant to the Option Plan in the financial years ended December 31, 2019.

| 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 (mm/dd/yy)** | **Issue, conversion or exercise price (CAD$)** | **Closing price of security or underlying security on date of grant ($)** | **Closing price of security or underlying security at year end (CAD$)** | **Expiry Date (mm/dd/yy)** |
| Jason T. Nguyen<br>CEO, Executive Chairman of the Board, and Director | Stock Options | 100,000<br>9.5% | 01/04/19 | 1.00 | 1.00 | 0.79 | 01/04/29 |
| Robert J. Brilon<br>Former President, CFO, Corporate Secretary and Director | Stock Options | 50,000<br>4.8% | 01/04/19 | 1.00 | 1.00 | 0.79 | 01/04/29 |
| David Eaton<br>Director | Stock Options | N/A | N/A | N/A | 1.00 | N/A | N/A |
| Jonathon Shelton<br>Director | Stock Options | 50,000<br>4.8% | 01/04/19 | 1.00 | 1.00 | 0.79 | 01/04/29 |

**Exercise of Compensation Securities by Directors and NEOs**

There were no compensation securities exercised by any of the NEOs or directors of the Company during financial year ended December 31, 2019.

The Company had not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities, as at December 31, 2019.

**Employment, Consulting and Management Agreements**

During the Company's most recently completed financial year, the Company provided compensation to certain officers of the Company pursuant to the following employment agreements:

(i) Employment Agreement dated July 1, 2018 between Jason T. Nguyen and New Gen Holdings Inc. ("**New Gen**"), a wholly-owned subsidiary of the Company (the "**Nguyen Employment Agreement**");

(ii) Employment Agreement dated July 1, 2018 between Robert J. Brilon and New Gen (the "**Brilon Employment Agreement**").

The Nguyen Employment Agreement is for an initial period of three years. At the expiration of the agreement, the agreement will be renewed for regular terms of one year each on a fulltime basis, provided neither party submits a notice of termination in accordance with the agreement. The employment will be at-will employment and may be terminated at any time by either party with or without cause or notice, and without any liability or obligation except as provided in the agreement. If New Gen terminates the agreement at any time during the agreement, for any reason except for those acts by the employee to be considered "cause" (willful misconduct in the scope of Mr. Nguyen's employment which substantially interferes with the contracts or operations of New Gen or Mr. Nguyen's conviction of a felony which substantially interferes with the contracts or operations of New Gen), New Gen agrees to provide Mr. Nguyen with 24 months of base compensation and 24 months of employee benefits value. If Mr. Nguyen terminates the agreement at any time during the agreement, for "good reasons" (the occurrence of i) New Gen's material breach of a material term of the agreement including a failure to pay any portion of Mr. Nguyen's compensation or benefits; ii) a material diminution in Mr. Nguyen's position, duties or responsibilities; iii) a material reduction by New Gen of Mr. Nguyen's aggregate annualized compensation and benefits except for across-the-board reductions affecting similarly situated executive officers of New Gen; or iv) any required relocation of Mr. Nguyen's residence by New Gen or the relocation of New Gen's offices at which Mr. Nguyen is principally employed beyond a radius of 30 miles) or "change of control" (a change in the composition of the board of directors, as a result of which fewer than one-half of the incumbent directors remain directors or the acquisition or aggregation of securities by any person pursuant to which the person becomes the beneficial owner, directly or indirectly, of securities of New Gen representing 50% or more of the combined voting power of the outstanding securities of New Gen) reasons, New Gen agrees to provide Mr. Nguyen with 24 months of base compensation and 24 months of employee benefits value. For the services of CEO rendered by Mr. Nguyen, New Gen will pay to Mr. Nguyen base compensation of USD$390,000 for full time employment in year one; USD$430,000 for full time employment in year two; and USD$470,000 for full time employment in year three. In addition to the base compensation, an additional bonus of up to 100% of the base wage will be payable in any commission or sales bonus structure approved by the board from time to time. Mr. Nguyen will be awarded a bonus of USD$250,000 upon the assignment to New Gen of a patent pending that may be awarded to Mr. Nguyen during his employment and a 5% royalty on the proceeds related to licensing of the patent for the duration of the patent. Under the Nguyen Employment Agreement, Mr. Nguyen was awarded 100,000 stock options.

The Brilon Employment Agreement is for an initial period of three years. At the expiration date of the agreement, the agreement will be renewed for regular terms of one year each, under fulltime employment, provided neither party submits a notice of termination in accordance with the agreement. Pursuant to the Brilon Employment Agreement, the employment of Mr. Brilon will be at-will employment and may be terminated at any time by either party with or without cause or notice, and without any liability or obligation except as expressly provided in the agreement. If New Gen terminates the employment of Mr. Brilon at any time during the term of the Brilon Employment Agreement, for any reason except "for cause", New Gen will provide 24 months of base compensation and 24 months of employee benefits value. If Mr. Brilon terminates the employment at any time during the agreement for "good reason" or "change of control", New Gen agrees to provide the employee with 24 months of base compensation and 24 months of employee benefits value. For the services of President, CFO, and Corporate Secretary rendered by Mr. Brilon, New Gen will pay to Mr. Brilon base compensation of USD$250,000 for full time employment in year one; USD$280,000 for full time employment in year two; and USD$310,000 for full time employment in year three. In addition to Mr. Brilon's base compensation, an additional bonus of up to 100% of the base wage will be payable upon meeting certain performance goals to be set mutually and participation in any commission or sales bonus structure approved by the board. Mr. Brilon was awarded a bonus of $15,000 upon the completion of the New Gen acquisition and listing of the Company's Subordinated Voting Shares on the CSE. Under the Brilon Employment Agreement, Mr. Brilon was awarded 50,000 Options. On February 7, 2020, Mr. Brilon resigned as the President, CFO, Corporate Secretary, and Director. The Brilon Employment Agreement was terminated upon Mr. Brilon's resignation.

**Oversight and description of director and NEO compensation**

*Elements of the Compensation Program*

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Company's board of directors (the "**Board"**) as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The compensation 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 executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO. The compensation of the Company's executives is determined by the Board after the recommendation of the CEO. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

<u>*Philosophy and Objectives*</u>

The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified 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.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described above). Recommendations for senior management compensation are presented to the Board for review.

*Base Salary or Consulting Fees*

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the oil and gas industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

(a) the particular responsibilities related to the position;

(b) salaries paid by other companies in the oil and gas industry which were similar in size as the Company;

(c) the experience level of the executive officer;

(d) the amount of time and commitment which the executive officer devotes to the Company; and

(e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

During the years ended December 31, 2018 and 2019, the Company incurred the following expenses to related parties in US dollars:

| | | **2019** | | **2018** |
|---|---|---|---|---|
| Salaries and wages – CEO and a director | $ | 409,231 | $ | 390,000 |
| Salaries and wages – Former President, CFO, Corporate Secretary and a director | | 291,942 | | 237,019 |
| | | | | |
| Share-based payments – directors and officers | | 101,955 | | N/A |

**Amounts Due to Related Parties**

As at December 31, 2019 is $338,198 (2018 - $290,167) owing to the Executive Chairman, companies controlled by him, and his close family members. The majority of this amount is made up of accrued salary.

As at December 31, 2019 is $5,885 (2018 - $ nil) owing to the Chief Executive Officer, a director, and the former President, CFO, Corporate Secretary and director of the Company.

As at December 31, 2019 is $nil (2018 - $14,445) owing to a company controlled by the Executive Chairman of the Company. This amount bears interest of 13% per annum and is due on demand.

As at December 31, 2019 is $87,316 (2018 - $128,228) due to the Executive Chairman of the Company, his spouse, and a company controlled by him. These loans bear interest of 13% per annum and are due between 2022 – 2026.

## Executive Compensation

Except for the grant of incentive share options and to the NEOs and any compensation payable pursuant to an executive compensation agreement between the CEO or CFO and the Company, there are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, or directors..

## Director Compensation

The directors received no cash compensation for acting in their capacity as directors of the Company for the years ended December 31, 2018 and 2019.

Except for the grant to directors of share options, there are no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

*Bonus Incentive Compensation*

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

*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 existing stock option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors.

**Compensation Review Process**

*Risks Associated with the Company's Compensation Program*

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

*Benefits and Perquisites*

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

*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 of officers having entered into this type of transaction

As of the date of this Form, entitlement to grants of incentive stock options under the Company's Stock Option Plan is the only equity security element awarded by the Company to its executive officers and directors.

**Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.