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**FORM 51-102F6V**

**STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**  
(for financial years ended December 31, 2021 and 2020)

**General**

The following information, dated as of June 30, 2022, 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 this Statement of Executive Compensation:

“**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; and

“**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, for that financial year;
- (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**

During the financial year ended December 31, 2021, based on the definition above, the NEOs of the Company were: Jason Thai Nguyen (Executive Chairman), Eric Offenberger (President, CEO and COO), Stephan Bankosz (CFO of the Company’s subsidiary New Gen Holdings, Inc.), Vahan Ajamian (former CFO and Corporate Secretary), and Denise Lok (former CFO). The directors of the Company who were not NEOs during the financial year ended December 31, 2021 were David Eaton, Johnathan Shelton and Mark Opzoomer.

During financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Jason T. Nguyen (former CEO and a Director), Robert Brilon (former President, CFO, Corporate Secretary, and Director), Denise Lok (former CFO) and Eric Offenberger (President, CEO and COO). The directors of the Company who were not NEOs during the financial year ended December 31, 2020 were David Eaton, Johnathan Shelton and Caroline Williams.

The Company is authorized to issue an unlimited number of subordinated voting Common Shares (“Subordinated Voting Shares”) without par value, each carrying the right to one vote, and to issue an unlimited number of Class A Common

Shares with multiple voting rights, each convertible into 100 Subordinated Voting Shares (“Super Voting Shares”). The Company’s Subordinated Voting Shares are listed for trading on the Canadian Securities Exchange (the “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, 2021 and 2020 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 <sup>(1)</sup> Former CEO, Executive Chairman of the Board, and Director	2021	470,000	235,000	Nil	Nil	Nil	705,000
	2020	462,100	Nil	Nil	Nil	Nil	462,100
Eric Offenberger <sup>(2)</sup> President, CEO, COO, and Director	2021	300,000	114,015	Nil	Nil	Nil	414,015
	2020	219,231	Nil	Nil	Nil	Nil	219,231
Vahan Ajamian <sup>(3)</sup> Former CFO and Corporate Secretary	2021	92,225	Nil	Nil	Nil	Nil	92,225
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Stephan Bankosz <sup>(4)</sup> CFO and Corporate Secretary	2021	155,000	13,552	Nil	Nil	Nil	168,552
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Robert J. Brilon <sup>(5)</sup> Former President, CFO, Corporate Secretary and Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	321,814	Nil	Nil	Nil	Nil	321,814
Denise Lok <sup>(6)</sup> Former CFO	2021	5,931	Nil	Nil	Nil	Nil	5,931
	2020	11,388	Nil	Nil	Nil	Nil	11,388
David Eaton Director	2021	9,862	Nil	Nil	Nil	Nil	9,862
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jonathon Shelton Director	2021	4,000	Nil	Nil	Nil	Nil	4,000
	2020	4,000	Nil	Nil	Nil	Nil	4,000
Mark Opzoomer Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Caroline Williams <sup>(7)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	4,000	Nil	Nil	4,000

Notes:

- (1) Mr. Nguyen received \$705,000 in 2021 and \$462,100 in 2020 in relation to his employment with the Company and nil in relation to his position as a director of the Company. Mr. Nguyen resigned as CEO on January 18, 2020, and was appointed Executive Chairman of the Board on February 20, 2020.
- (2) Mr. Offenberger was appointed Chief Operating Officer on December 31, 2018, and President and CEO on February 18, 2020. Mr. Offenberger received \$414,015 in 2021 and \$219,231 in 2020 in relation to his employment with the Company and nil in relation to his position as a director of the Company.
- (3) Mr. Ajamian was the CFO and Corporate Secretary of the Company from March 10, 2021, to May 1, 2022, and received \$92,225 in 2021 and nil in 2020.
- (4) Mr. Bankosz was appointed the CFO of New Gen Holdings, Inc., a wholly owned subsidiary of the Company, on January 6, 2021, and was appointed as CFO and Corporate Secretary of the Company on June 15, 2022. Mr. Bankosz received \$168,552 in 2021.
- (5) Mr. Brilon received nil in 2021 and \$321,814 in 2020 in relation to his employment with the Company and nil in relation to his position as a director of the Company. Mr. Brilon resigned as the President, CFO, Corporate Secretary, and Director of the Company on February 7, 2020.
- (6) Ms. Lok was CFO of the Company from February 10, 2020, to March 10, 2021, and received \$5,931 in 2021 and \$11,388 in 2020 in relation to her employment to the Company.
- (7) Ms. Williams was a member of the Board of Directors from February 18, 2020, to December 10, 2020, and received nil in 2021 and \$4,000 in 2020 for attendance at board meetings.

## **Stock Option Plan and Other 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 January 4, 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.

### *Copy of Option Plan*

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](http://www.sedar.com).

### **10% "rolling" Restricted Share Unit Plan (Share-based Awards)**

The Company has in place a 10% rolling restricted share unit plan dated for reference November 12, 2020 and approved by Shareholders at the Company's annual general and special meeting on December 10, 2020 (the "**RSU Plan**"). The RSU Plan provides that a rolling maximum of 10% of the Common Shares issued and outstanding shall be determined from time to time and made available for issuance pursuant to the RSU Plan, subject to adjustments as provided in the RSU Plan. Because the RSU Plan is a "rolling plan", when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, the same number of Common Shares shall again automatically be available for issuance pursuant to the RSU Plan.

### *Nature and Administration of the RSU Plan*

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Company and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Participants**"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee (the "**Board**"), can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account (an "**Account**") maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are not transferable or assignable otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of the Participant only by the Participant and after death only by the Participant's legal representative.

### *Credit for Dividends*

A Participant's Account will be credited with additional RSUs (the "**Dividend RSUs**") as of each dividend payment date in respect of which cash dividends are paid 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 he or she been holding such number of Common Shares equal to the number of RSUs credited to the Participant's Account 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. Note that the Company is not obligated to pay dividends on Common Shares.

### *Resignation, Termination, Leave of Absence or Death*

Generally, if a Participant's employment or service is terminated, or if the Participant resigns from employment with the Company, then all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service or employment.

In the event a Participant is terminated by reason of (i) termination by the Company other than for cause or (ii) the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date. In the event the termination of the Participant's services by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date.

### *Change of Control*

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (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 Change of Control Event (as defined in the RSU Plan) or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation. The determination of the Board in respect of any such Change of Control Event shall for the purposes of this RSU Plan be final, conclusive and binding.

#### *Adjustments*

In the event there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the CSE where necessary, appropriate substitution or adjustment in (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the RSU Plan, and (ii) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the RSU Plan.

#### *Vesting*

Each award of RSUs vests on the date(s) (the “**Vesting Date**”) specified by the Board on the award date, and reflected in the applicable RSU agreement certificate.

#### *Limitations under the RSU Plan*

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, subject to adjustments as provided in the RSU Plan.

#### *Copy of RSU Plan*

The foregoing summary of the RSU Plan is not complete and is qualified in its entirety by reference to the RSU Plan, which is available on the Company’s SEDAR profile page at [www.sedar.com](http://www.sedar.com).

The Company did not award RSUs to any of its Directors or NEOs during financial years ended year ended December 31, 2021 and December 31, 2020.

## 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 year ended December 31, 2021.

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 (CAD\$)	Closing price of security or underlying security at year end (CAD\$)	Expiry Date (mm/dd/yy)
Jason T. Nguyen <sup>(1)</sup> Former CEO, Executive Chairman of the Board, and Director	Stock Options	--	--	--	--	--	--
Eric Offenberger <sup>(2)</sup> President, CEO, COO, and Director	Stock Options	--	--	--	--	--	--
Vahan Ajamian <sup>(3)</sup> Former CFO and Corporate Secretary	Stock Options	100,000 3%	03/10/21	0.96	0.96	0.64	10/01/23
Stephan Bankosz <sup>(4)</sup> CFO and Corporate Secretary	Stock Options	50,000 2%	01/06/21	1.22	1.22	0.64	01/06/31
	Special Advisory Warrants	50,000 5%	05/14/21	1.00	0.85	0.64	12/31/27
Denise Lok <sup>(5)</sup> Former CFO	Stock Options	--	--	--	--	--	--
David Eaton <sup>(6)</sup> Director	Stock Options	--	--	--	--	--	--
Jonathon Shelton <sup>(7)</sup> Director	Stock Options	--	--	--	--	--	--
Mark Opzoomer Director	Stock Options	--	--	--	--	--	--

- (1) As at the end of the most recently completed financial year, Mr. Nguyen held 100,000 options exercisable at \$1.00 per share, granted on April 1, 2019, expiring on April 1, 2029, and vesting at a rate of 1/2 on the grant date, 1/4 12 months from the grant date, and 1/4 24 months from the grant date.
- (2) As at the end of the most recently completed financial year, Mr. Offenberger held a) 100,000 options exercisable at \$1.00 per share, granted on April 1, 2019, expiring on April 1, 2029, and vesting at a rate of 1/3 12 months from the grant date, 1/3 24 months from the grant date, and 1/3 36 months from the grant date; and b) 160,000 options exercisable at \$1.00 per share, granted on May 13, 2019 and expiring on May 13, 2029, and vesting at rate of 1/3 12 months from the grant date, 1/3 24 months from the grant date, and 1/3 36 months from the grant date.
- (3) As at the end of the most recently completed financial year, Mr. Ajamian held 100,000 options exercisable at \$0.96 per share, granted on March 10, 2021, expiring on October 1, 2023, and vesting at a rate of 1/2 six months from the grant date, and 1/2 12 months from the grant date. Mr. Ajamian resigned on May 1, 2022.
- (4) As at the end of the most recently completed financial year, Mr. Bankosz held a) 50,000 options exercisable at \$1.22 per share, granted on January 6, 2021, expiring on January 6, 2031, and vesting at a rate of 1/2 on June 30, 2021, and 1/2 on December 31, 2021; and b) 50,000 Special Advisory Warrants exercisable at \$1.00 per share, granted on May 14, 2021, expiring on December 31, 2027, and fully vested.
- (5) As at the end of the most recently completed financial year, Ms. Lok held 150,000 options exercisable at \$0.75 per share, granted on May 12, 2020, expiring on May 12, 2030, and fully vested on the date of grant. Ms. Lok resigned on March 10, 2021.

- (6) As at the end of the most recently completed financial year, Mr. Eaton held 250,000 options exercisable at \$0.75 per share, granted on May 12, 2020, expiring on May 12, 2030, and fully vested on the date of grant.
- (7) As at the end of the most recently completed financial year, Mr. Shelton held 50,000 options exercisable at \$1.00 per share, granted on April 1, 2019, expiring on April 1, 2029, and vesting at a rate of ½ on the grant date, 1/4 12 months from the grant date, and ¼ 24 months from the grant date.

### Exercise of Compensation Securities by Directors and NEOs

The following table discloses the particulars of the exercise of compensation securities by NEOs or directors of the Company during financial year ended December 31, 2021.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of Compensation Security	Number of underlying securities exercised (#)	Exercise price per security (CAD\$)	Date of exercise (mm/dd/yy)	Closing price of security or underlying security on date of exercise (CAD\$)	Difference between exercise price and closing price on date of exercise (CAD\$)	Total value on exercise date (CAD\$)
Caroline Williams Former Director	Stock Options	250,000	0.75	02/01/21	1.21	0.46	115,000

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, 2021.

### 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, as amended (the “**Nguyen Employment Agreement**”);
- (ii) Employment Agreement dated February 14, 2020 between Eric Offenberger, the Company and New Gen Holdings, Inc., as amended (the “**Offenberger Employment Agreement**”);
- (iii) Consulting Agreement dated March 10, 2021 between SarLor Corp., a company wholly owned by Vahan Ajamian, and Vext Science, Inc. (the “**Ajamian Consulting Agreement**”); and
- (iv) Employment Agreement dated January 4, 2021 between Stephan Bankosz and New Gen Holdings, Inc. (the “**Bankosz 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. Mr. Nguyen’s Employment Agreement was terminated upon Mr. Nguyen’s resignation.

The Offenberger Employment Agreement will continue perpetually until such a time as either party elects to terminate the agreement, with or without cause or notice, and without any liability or obligation except as expressly provided in the agreement (the “**Term**”). For the services of Chief Executive Officer (“**CEO**”) and Chief Operating Officer (“**COO**”) rendered by Mr. Offenberger, the Company will pay to Mr. Offenberger an annual base salary of USD\$300,000, which is not subject to mandatory or discretionary annual increases, unless the parties agree otherwise in writing. In addition to Mr. Offenberger’s annual salary, should the Company’s adjusted earnings before income tax depreciation and amortization (“**AEBITDA**”) exceed USD\$9,000,000 based on the most recent audited annual financial statements of the Company (the “**Bonus Threshold**”), the Company will pay an annual incentive bonus of 2% of the AEBITDA in excess of the Bonus Threshold (the “**Bonus**”), subject a maximum of 50% of Mr. Offenberger’s annual base salary.

The Ajamian Consulting Agreement will continue perpetually until such a time as either party elects to terminate the agreement, with or without cause or notice, and without any liability or obligation except as expressly provided in the agreement (the “**Term**”). For the services of Chief Financial Officer (“**CFO**”) and Corporate Secretary rendered by Mr. Ajamian, the Company will pay to Mr. Ajamian an annual fee of USD\$114,000. Under the Ajamian Consulting Agreement, Mr. Ajamian was awarded 100,000 stock options.

The Bankosz Employment Agreement will continue perpetually until such a time as either party elects to terminate the agreement, with or without cause or notice, and without any liability or obligation except as expressly provided in the agreement (the “**Term**”). For the services of Chief Financial Officer, New Gen Holdings, Inc. rendered by Mr. Bankosz, the Company will pay to Mr. Bankosz an annual base salary of USD\$155,000, which is not subject to mandatory or discretionary annual increases, unless the parties agree otherwise in writing. Under the Bankosz Employment Agreement, Mr. Bankosz was awarded 50,000 stock options.

## 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.

### *Philosophy and Objectives*

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, 2021 and 2020, the Company incurred the following expenses to related parties in US dollars:

		2021		2020
Salaries and wages – CEO, COO and a director	\$	414,015	\$	219,231
Salaries and wages – Former President, CFO, Corporate Secretary and a director		Nil		321,814
Salaries and wages – Executive Chairman		705,000		462,100
Consulting fees – Former CFO and Corporate Secretary		92,225		Nil
Salaries and wages – CFO and Corporate Secretary		168,552		Nil
Salaries and wages – Former director		Nil		4,000
Consulting fees – directors		13,862		4,000
Consulting fees – Former CFO		5,931		11,388
Share-based payments – directors and officers		146,521		291,322

## **Amounts Due to Related Parties**

Amounts due to related parties as at December 31, 2021 and 2020 included the following:

- Included in payables and accrued liabilities as at December 31, 2021 is \$460,000 (2020 - \$562,884) owing to Jason Nguyen, the Executive Chairman, companies controlled by him.
- Included in payables and accrued liabilities as at December 31, 2021 is \$9,466 (2020 - \$nil) owing to a company controlled by David Eaton, a director, and \$nil (2020 – \$250,000) owing to Robert Brilon, the former CFO, President, Corporate Secretary, and Director of the Company.
- Included in the payables and accrued liabilities as at December 31, 2021 is \$90,000 (2020 – \$24,000), a performance bonus for Eric Offenberger, CEO.
- Included in the long-term loans payable as at December 31, 2021 is nil (2019 - \$64,763) due to Jason Nguyen, 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, 2021 and 2020. The Company paid Caroline Williams a director's fee in the amount of \$1,000 for each Board of Directors meeting she attended. Ms. Williams resigned from the Board of Directors on December 10, 2020.

Except for the directors' fees paid to Ms. Williams noted above, and 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 or 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.