

## STATEMENT OF EXECUTIVE COMPENSATION

The following disclosure complies with the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers, for Entheon Biomedical Corp. (the “Company”) during its fiscal year ending November 30, 2022.*

For the purposes of this statement, the following definitions apply:

**“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;

**“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, as determined in accordance with subsection 1.3(5), 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;

**“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;

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

For the purposes of the following disclosure, the Company’s NEOs for the year ended November 30, 2022 are: (a) Timothy Ko, CEO; and (b) Brandon Schwabe, former CFO.

### **Director and Named Executive Compensation**

The following is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company’s two most recent completed financial years ended November 30:

Table of compensation excluding compensation securities						
Name and position	Year	Salary, consulting fee, retainer or	Bonus (\$)	Committee or meeting fees (\$)	Value of all other compensation	Total Compensation (\$)

		commission (\$)			(\$)	
<b>Timothy Ko</b> <sup>(1)</sup> President, CEO & Director	2022	130,000	Nil	Nil	Nil	130,000
	2021	134,269	Nil	Nil	Nil	134,269
<b>Andrew Hegle</b> <sup>(2)</sup> Chief Science Officer & Director	2022	120,000	Nil	Nil	Nil	120,000
	2021	120,461	Nil	Nil	Nil	120,461
<b>Christopher Sumeet Babu Gondi</b> <sup>(3)</sup> Director	2022	12,000	Nil	30,000	Nil	42,000
	2021	12,000	Nil	Nil	Nil	12,000
<b>Brandon Schwabe</b> <sup>(4)</sup> Former CFO	2022	120,000	Nil	Nil	Nil	120,000
	2021	110,500	Nil	Nil	Nil	110,500
<b>Ruth Chun</b> <sup>(5)</sup> Former Director	2022	16,000	Nil	33,000	Nil	49,000
	2021	16,000	Nil	5,000	Nil	21,000

(1) Mr. Ko provided services to the Company pursuant to an agreement dated November 3, 2020. For details, see “Employment, Consulting and Management Agreements or Arrangements”.

(2) Mr. Hegle provided services to the Company pursuant to an agreement dated December 10, 2020. For details, see “Employment, Consulting and Management Agreements or Arrangements”.

(3) Mr. Gondi provided services to the Company pursuant to an agreement dated January 15, 2021. For details, see “Employment, Consulting and Management Agreements or Arrangements”.

(4) Mr. Schwabe ceased to be CFO on January 6, 2023. Mr. Schwabe provided services to the Company pursuant to an agreement dated November 3, 2020, as amended November 16, 2021. For details, see “Employment, Consulting and Management Agreements or Arrangements”.

(5) Ms. Chun resigned as a Director on February 28, 2023. Ms. Chun provided services to the Company pursuant to an agreement dated November 5, 2020. For details, see “Employment, Consulting and Management Agreements or Arrangements”.

## Stock Options and Other Compensation Securities

During the financial year ended November 30, 2022, no NEO or directors of the Company were issued or granted compensation securities.

## Exercise of Stock Options

During the financial year ended November 30, 2022, no NEO or directors of the Company exercised compensation securities.

## External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

## Stock Options and Other Incentive Plans

The Company has a rolling stock option plan (the “SOP”) and rolling restricted share unit plan (the “RSU Plan”) for the granting of stock options and restricted share units to the directors, officers, employees and consultants of the Company.

The purpose of granting such stock options and restricted share units is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of

such persons to that of the Company's shareholders. The allocation of options under the SOP and restricted share units under the RSU Plan is determined by the Compensation and Nomination Committee (the "**Compensation Committee**") and then recommended to the Board for approval. In determining such allocations, the Compensation Committee considers such factors as previous grants to individuals, overall Company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's Audit Committee, Compensation Committee and Disclosure Committee.

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

Other than as described below, the Company has not entered into any agreement or arrangement under which compensation was provided during the most recently completed fiscal year ended November 30, 2022, 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.

#### ***Timothy Ko - President, Chief Executive Officer & Director***

By an agreement dated November 3, 2020, Mr. Ko provided executive employee services to the Company and, in particular, his services as President and CEO, in consideration of \$130,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Ko for the financial year ended November 30, 2022, see "Table of Compensation Excluding Compensation Securities".

The agreement with Mr. Ko provides for termination:

- (a) by Mr. Ko on providing 30 days written notice;
- (b) by the Company without prior notice, if the termination is for just cause, as defined at common law; or
- (c) by the Company without cause, on providing Mr. Ko with 3 months' written notice plus 2 additional weeks' notice for each completed year of service up to a maximum of 8 months' notice, or payment in lieu of.

If within 6 months following a Change of Control of the Company, as defined in the agreement, the Company terminates the Mr. Ko's employment without just cause pursuant to the Agreement, the Company will:

- i. pay the Employee in lieu of notice pursuant to section (c) above, either through continuing salary, or, in the Company's sole discretion, as a lump sum (the "Severance Payment"); and
- ii. in addition to the Severance Payment, pay Mr. Ko 6 months' salary through continuing salary, or, in the Company's sole discretion, as a lump sum.

The agreement with Mr. Ko was further replaced by an agreement dated January 23, 2023.

#### ***Andrew Hegle – Chief Science Officer & Director***

By an agreement dated December 10, 2020, Mr. Hegle provided executive employee services to the Company and, in particular, his services as Chief Science Officer, in consideration of \$120,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Hegle for the financial year ended November 30, 2022, see "Table of Compensation Excluding Compensation Securities".

The agreement with Mr. Hegle provides for termination and change of control upon the same terms as the foregoing agreement with Mr. Ko.

The agreement with Mr. Hegle was further replaced by an agreement dated January 24, 2023 under the

same general terms.

**Christopher Sumeet Babu Gondi –Director**

By an agreement dated January 15, 2021, Mr. Gondi provides director services to the Company in consideration of \$12,000 per annum payable in quarterly. For actual amounts paid to Mr. Gondi for the financial year ended November 30, 2022, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Gondi provides for termination:

- (a) automatically if Mr. Gondi is removed from office by a resolution of the shareholders;
- (b) if Mr. Gondi becomes prohibited by law from acting as a director;
- (c) if Mr. Gondi resigns in writing;
- (d) if Mr. Gondi receives an order made against him;
- (e) if Mr. Gondi is unable to perform his duties to the reasonable satisfaction of the board of directors of the Company or by reason of mental incapacity;
- (f) if Mr. Gondi is in breach of the *Criminal Code* (Canada);
- (g) if Mr. Gondi is in breach of any terms set out in his agreement;
- (h) if Mr. Gondi is incompetent, guilty of gross misconduct and/or any serious or persistent negligence or misconduct in respect of her obligations under his agreement; or
- (i) if Mr. Gondi refuses after a written warning to carry out the duties reasonably and properly required of him under the terms of her appointment as set out in his agreement.

The agreement with Mr. Gondi is in good standing.

**Brandon Schwabe – Former Chief Financial Officer**

By an agreement dated November 3, 2020, as amended November 16, 2021, Mr. Schwabe provided executive employee services to the Company and, in particular, his services as CFO, in consideration of \$120,000 per annum payable in bi-weekly installments. For actual amounts paid to Mr. Schwabe for the financial year ended November 30, 2022, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Mr. Schwabe provides for termination and change of control upon the same terms as the foregoing agreement with Mr. Ko and Mr. Hogle.

The agreement with Mr. Schwabe was terminated on October 6, 2022.

**Ruth Chun – Former Director**

By an agreement dated November 5, 2020, Ms. Chun provided director services to the Company in consideration of \$16,000 per annum payable in quarterly installments and services on the Audit Committee and Compensation Committee in consideration of \$5,000 per annum. For actual amounts paid to Ms. Chun for the financial year ended November 30, 2022, see “Table of Compensation Excluding Compensation Securities”.

The agreement with Ms. Chun provides for termination upon the same terms as the foregoing agreement with Mr. Gondi.

The agreement with Ms. Chun was terminated upon her resignation as a director on February 28, 2023.

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

The Compensation Committee of the Company has the responsibility of determining the compensation for the NEOs, directors and other senior management and recommending to the Board for approval. During the Company's fiscal year ended November 30, 2022 the Compensation Committee was comprised of Timothy Ko, Ruth Chun and Christopher Sumeet Babu Gondi. Mr. Gondi and Ms. Chun were considered independent in accordance with NI 52-110. Since Ms. Chun's resignation as a director on February 28, 2023, Andrew Hegle assumed her role on the Compensation Committee. Mr. Hegle is non-independent.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs and directors for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Compensation Committee of the work planned during the year and the work achieved during the year. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

### **Pension Disclosure**

The Company has no pension plans that provide for payments or benefits to any NEO at, following or in connection with retirement. The Company also does not have any deferred compensation plans relating to any NEO.