

# BEVCANNA ENTERPRISES INC.

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Statement of Executive Compensation:

“**Company**” means BevCanna Enterprises 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, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, 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 or any subsidiary 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 or any subsidiary thereof for each of the two most recently completed financial years of the Company, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
Marcello Leone <sup>(3)</sup> <i>CEO, Chair and Director</i>	2023	305,000	Nil	Nil	Nil	Nil	305,000
	2022	305,000	Nil	Nil	Nil	52,659	357,659
John Campbell <sup>(4)</sup> <i>Chief Strategy Officer, Director and CFO</i>	2023	240,000	Nil	Nil	Nil	Nil	240,000
	2022	240,000	Nil	Nil	Nil	155,177	395,177
Melise Panetta <sup>(5)</sup> <i>Former President</i>	2023	113,335	Nil	Nil	Nil	Nil	113,335
	2022	200,004	Nil	Nil	Nil	6,950	206,954
Bruce Dawson-Scully <sup>(6)</sup> <i>Former President</i>	2023	300,000	Nil	Nil	Nil	Nil	300,000
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Howard Blank <sup>(7)</sup> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Martino Ciambrelli <sup>(8)</sup> <i>Director</i>	2023	194,599	Nil	Nil	Nil	Nil	194,599
	2022	150,000	Nil	Nil	Nil	30,808	180,808
Douglas Mason <sup>(9)</sup> <i>Former Director</i>	2023	37,289	Nil	Nil	Nil	Nil	37,289
	2022	60,000	Nil	Nil	Nil	Nil	60,000
Bill Macdonald <sup>(10)</sup> <i>Former Director</i>	2023	60,000	Nil	Nil	Nil	Nil	60,000
	2022	60,000	Nil	Nil	Nil	Nil	60,000
Phil Fontaine <sup>(11)</sup> <i>Former Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Represents the premium of value received by the respective NEO or director for certain amounts of accrued consulting compensation that was settled in common shares in debt settlement agreements.

(3) Marcello Leone has been the CEO and a director of the Company since September 13, 2018.

(4) John Campbell has been the Chief Strategy Officer of the Company since November 1, 2018 and a director of the Company since September 13, 2018. Mr. Campbell was CFO from September 13, 2018 to July 29, 2019. Mr. Campbell was appointed as the CFO on January 24, 2020.

(5) Melise Panetta was appointed as President of the Company on March 3, 2021 and resigned on March 31, 2023.

(6) Bruce Dawson-Scully was appointed as the President of the Company on June 21, 2023 and resigned on January 3, 2024.

(7) Howard Blank has been a director of the Company since November 24, 2021.

(8) Martino Ciambrelli has been a director of the Company since November 14, 2018.

- <sup>(9)</sup> Douglas Mason was appointed as a director of the Company on November 24, 2021 and resigned on July 19, 2023. Mr. Mason was paid such compensation through Waterfront Capital Partners Inc., a private corporation controlled by Mr. Mason.
- <sup>(10)</sup> Bill Macdonald was appointed as a director of the Company on November 24, 2021 and resigned on January 4, 2024.
- <sup>(11)</sup> Phil Fontaine was appointed as a director of the Company on December 14, 2018 and resigned on August 11, 2022.

### **Stock Options and Other Compensation Securities**

No compensation securities were granted or issued to any director or NEO by the Company or any subsidiary thereof in the year ended December 31, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

### **Exercise of Stock Options**

No compensation securities were exercised by a Company director or NEO during the Company's most recently completed financial year ended December 31, 2023.

### **Stock Option Plans and Other Incentive Plans**

On January 4, 2024, the Board adopted the Omnibus Equity Incentive Plan (the "**2024 Plan**") and shareholders approved the 2024 Plan at the Company's annual general and special meeting held on February 6, 2024. The 2024 Plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**"). The purpose of the 2024 Plan is to, among other things, provide the Company with a share related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries, to reward such of those directors, officers, employees and consultants as may be granted awards under the 2024 Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, officers, employees and consultants to acquire common shares as long-term investments and proprietary interests in the Company.

The 2024 Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of common shares), provides that the aggregate maximum number of common shares that may be issued upon the exercise or settlement of awards granted under the 2024 Plan shall not exceed 15% of the Company's issued and outstanding common shares from time to time, such number being 10,124,567 common shares as of the record date of July 31, 2024.

The total number of equity awards eligible to be granted under the 2024 Plan as at July 31, 2024 was 1,518,685 equity awards.

The 2024 Plan is considered an "evergreen" plan, since the common shares covered by awards that have been exercised, settled or terminated shall be available for subsequent grants under the 2024 Plan and the number of awards available to grant increases as the number of issued and outstanding common shares increases.

As of the date hereof, the Company has not granted any stock options, RSUs, PSUs and DSUs to its directors, officers and consultants under the 2024 Plan.

Pursuant to Canadian Securities Exchange requirements, every three years after institution, all unallocated options, rights and other entitlements under any security-based compensation arrangement which does not have a fixed maximum number of securities issuable thereunder (commonly referred to as “rolling plans”), must be approved by the majority of the Company’s Board and its shareholders.

A copy of the 2024 Plan is attached to the Company’s Management Information Circular dated January 8, 2024 as Schedule “A”.

### **External Management Companies**

Except as disclosed herein, the Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

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

Other than as set forth below, the Company is not party to any formal, written employment, consulting or management agreements with any NEO or director.

#### *Agreement with Marcello Leone*

The Company has not entered into a written agreement with Mr. Leone who acts as CEO, Chair and a director of the Company. Currently, the Company pays Mr. Leone annual compensation of \$305,000 as a consultant.

#### *Agreement with John Campbell*

On November 1, 2018, the Company entered into a management services agreement with John Campbell pursuant to which Mr. Campbell agreed to act as Chief Strategy Officer and CFO as an independent contractor for monthly compensation of \$20,000. Pursuant to the terms of the agreement, the Company may terminate the agreement upon 30 days’ advance notice. Similarly, Mr. Campbell may terminate the agreement upon 30 days’ advance notice. Mr. Campbell is subject to a non-competition and non-solicitation covenant for a period of 12 months from the termination of the agreement.

#### *Agreement with Martino Ciambrelli*

On February 11, 2022, the Company entered into an independent consulting agreement with Martino Ciambrelli pursuant to which Ciambrelli agreed to provide consulting services related to product development, facility expertise, manufacturing, and sales and distribution in consideration for monthly compensation of \$12,500. Pursuant to the terms of the agreement, the Company may terminate the agreement upon 30 days’ advance notice. Similarly, Mr. Ciambrelli may terminate the agreement upon 30 days’ advance notice. The agreement is subject to a one-year non-solicitation covenant in favor of the Company following termination of the agreement.

#### *Agreement with Melise Panetta*

On November 10, 2020, the Company entered into an independent consulting agreement with Melise Panetta to provide technical and operational consulting services to the Company in consideration for the monthly amount of \$16,667. The agreement was subject to termination by either party on 90 days’

advance notice or without notice by the Company on certain events. The agreement was subject to a one-year non-solicitation covenant in favor of the Company following termination of the agreement.

On May 1, 2023, Melise Panetta resigned as the President of the Company and entered into a replacement consulting agreement to provide marketing and sales services for a monthly fee of \$5,000.

#### *Agreement with Bruce Dawson-Scully*

Effective January 1, 2023, the Company entered into an independent consultant agreement with Delta 9 Remedy Corp., a company controlled by Bruce Dawson-Scully, to perform services as President of the Company for initial compensation of \$300,000 and annual compensation of approximately \$500,000 for the second year of services provided under the contract. The agreement was subject to termination upon 30 days' advance notice by either party, or without notice upon certain circumstances. The agreement is subject to a one-year non-solicitation covenant in favor of the Company following termination of the agreement.

On January 3, 2024, Mr. Dawson-Scully resigned as President of the Company.

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

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long-term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company and that are involved in discussions relating to compensation, are required to disclose any personal interest therein and abstain from voting on such compensation decisions that relate to them in accordance with the applicable corporate and securities legislation and stock exchange policies.

Please see the compensation table on page 2 for a list of all material components paid to the Company's NEOs and directors in 2023. The Company currently compensates NEOs and directors in cash, although subsequent to year-end, the Company agreed to settle certain compensation through the issuance of common shares in publicly disclosed shares for debt arrangements. The Company elected to utilize this option in order to preserve cash for operations. Although the Company has not utilized equity grants as a form of compensation in recent years, it may elect to do so in the future.

The Company and its board has not elected to tie compensation to any performance criteria or goals at this time. Similarly, the Company does not utilize a peer group to determine compensation.

No significant events have occurred during the most recently completed financial year that have significantly affected compensation other than the decision by the Company to settle on certain amounts of compensation through the issuance of common shares subsequent to year end. Similarly, and other than recent shares for debt arrangements with directors and NEOs, there were no significant changes to the Company's compensation policies during or after the most recently completed financial year that could or will have an effect on director or NEO compensation.

The Company through its board of directors determines the amount to be paid for each significant element of compensation. This process is discussed and finalized at board of directors meetings where interested directors are recused from the meeting, and if interested, abstain from voting on such decisions.

#### **Pension Plan Benefits**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.