



IMMERSIVE TECH

XR Immersive Tech Inc.

(the “Company”)

FORM 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers

(financial years ended December 31, 2021 and December 31, 2020)

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers (“**Form 51-102F6V**”). The objective of this disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial years ended December 31, 2021 and the decision-making process relating to compensation.

Information contained in this Form 51-102F6V is as of December 31, 2021 unless indicated otherwise.

GENERAL

For the purpose of this Statement of Executive Compensation:

“**Company**” means XR Immersive Tech 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;

“**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; and
- (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.

Based on foregoing definition, during the last completed financial year of the Company, the Company had two (2) NEOs, namely, Timothy Bieber, CEO, and Sheri Rempel, CFO and Corporate Secretary.

Information contained in this Form 51-102F6V is as of December 31, 2021 unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars, unless stated otherwise.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and 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 a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Timothy Bieber ⁽¹⁾ CEO & Director	2021	134,025	Nil	Nil	Nil	255,134	389,159
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Sheri Rempel ⁽²⁾ CFO, Corporate Secretary and Director	2021	47,783	Nil	Nil	Nil	19,476	67,259
	2020	26,306	Nil	Nil	Nil	Nil	26,306
Alvin Graylin ⁽⁴⁾ Director	2021	Nil	Nil	Nil	Nil	154,785	154,785
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Cathy Hackl ⁽⁵⁾ Director	2021	18,588	Nil	Nil	Nil	77,903	96,491
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Alexandros Tziliios ⁽⁶⁾ Director	2021	Nil	Nil	Nil	Nil	77,903	77,903
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Shafin Diamond Tejani ⁽⁷⁾ President, CEO & Director of the former parent company	2021	Nil	Nil	Nil	Nil	93,520	93,520
	2020	54,000	Nil	Nil	Nil	Nil	54,000

(1) Timothy Bieber was appointment President, CEO and a director of the Company on May 1, 2021. Fees paid by the Company to Evolved Media Inc., a company controlled by Timothy Bieber for CEO services.

(2) Sheri Rempel was appointed CFO and a director of the Company on November 16, 2016, and Corporate Secretary on May 1, 2021. Fees paid by the Company to ARO Consulting Inc., a company controlled by Sheri Rempel for full cycle bookkeeping, CFO and corporate secretarial services.

(3) Alvin Graylin was appointed as a director of the Company on May 1, 2021.

(4) Cathy Hackl was appointed as a director of the Company on May 1, 2021.

(5) Alexandros Tziliios was appointed as a director of the Company on May 1, 2021.

(6) Shafin Diamond Tejani is CEO & Director of Victory Square Technologies Inc., that held 100% of issued and outstanding shares of the Company until April 2021, and current 10% holder of issued and outstanding common shares of the Company.

Stock Options and Other Compensation Securities

Compensation securities granted or issued to each NEO and director during the financial years ended December 31, 2021 services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ¹	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Timothy Bieber <i>CEO and Director</i>	Stock Options	400,000 incentive stock options 400,000 underlying common shares (0.53%)	May 1, 2021	\$0.25	n/a	\$0.265	May 1, 2026
Sheri Rempel <i>CFO, Corporate Secretary and Director</i>	Stock Options	200,000 incentive stock options 200,000 underlying common shares (0.26%)	May 1, 2021	\$0.25	n/a	\$0.265	May 1, 2026
Alvin Graylin <i>Director</i>	Stock Options	1,300,000 incentive stock options 1,300,000 underlying common shares (1.71%)	May 19, 2021	\$0.25	n/a	\$0.265	May 1, 2026
Cathy Hackl <i>Director</i>	Stock Options	800,000 incentive stock options 800,000 underlying common shares (1.05%)	May 12, 2021	\$0.25	n/a	\$0.265	May 1, 2026
Alexandros Tziliios <i>Director</i>	Stock Options	800,000 incentive stock options 800,000 underlying common shares (1.05%)	May 15, 2021	\$0.25	n/a	\$0.265	May 1, 2026

(1) Based on 76,050,785 common shares issued and outstanding as of December 31, 2021.

During fiscal year 2021, other than disclosed, no other incentive securities have been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedule under the Escrow Agreement as defined and disclosed below, there are no other restrictions or conditions for converting, exercising or exchanging the compensation securities.

No NEO or director of the Company exercised any compensation securities during the financial year ended December 31, 2021.

Directors, executive officers and Insiders of the Company (the “Escrow Shareholders”) entered into an escrow agreement, dated August 9, 2021 (the “Escrow Agreement”) with the Company pursuant to which the Escrow Shareholders have agreed to deposit the securities of the Company which they hold with Odyssey Trust Company until they are released in accordance with terms of the Escrow Agreement, the policies of the CSE and applicable securities law as follows:

For delivery to complete the IPO	All escrow securities sold by you in the permitted secondary offering
On the listing date	1/10 of your original number of escrow securities less the escrow securities sold by you in the permitted secondary offering
6 months after the listing date	1/6 of your remaining escrow securities
12 months after the listing date	1/5 of your remaining escrow securities
18 months after the listing date	1/4 of your remaining escrow securities
24 months after the listing date	1/3 of your remaining escrow securities
30 months after the listing date	1/2 of your remaining escrow securities
36 months after the listing date	your remaining escrow securities

OPTION TO PURCHASE SECURITIES

Equity Incentive Plan

The board of directors of the Company (the “**Board**”) adopted the Equity Incentive Plan on April 20, 2021. The Equity Incentive Plan provides for the grant of Stock Options, restricted share units (“**RSUs**”) and deferred share units (“**DSUs**”) (collectively, the “**Awards**”). Equity issued pursuant to Awards granted under the Equity Incentive Plan will consist of authorized but unissued Common Shares.

The Equity Incentive Plan will be administered by the Board; provided however, that the Board may at any time appoint a Committee to perform some or all of the Board’s administrative functions hereunder; and provided further, that the authority of any Committee appointed will be subject to such terms and conditions as the Board may prescribe and will be coextensive with, and not in lieu of, the authority of the Board hereunder.

Directors who are eligible for Awards or have received Awards may vote on any matters affecting the administration of the Equity Incentive Plan or the grant of Awards, except that no such member will act upon the grant of an Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board during which action is taken with respect to the grant of Awards to himself or herself. The Board will have full authority to grant Awards under the Equity Incentive Plan. In particular, subject to the terms of the Equity Incentive Plan, the Board will have the authority: (i) to select the Participants to whom Awards may from time to time be granted hereunder (consistent with the eligibility conditions); (ii) to determine the type of Award to be granted to any Participant hereunder; (iii) to determine the number of Common Shares, if any, to be covered by each Award; and (iv) to establish the terms and conditions of each Award Agreement.

The Board will have the authority to: (i) establish, amend and rescind such administrative rules, guidelines and practices governing the Equity Incentive Plan as it, from time to time, deems advisable; (ii) to interpret the terms and provisions of the Equity Incentive Plan, any Award issued under the Equity Incentive Plan, and any Award Agreement; and (iii) to otherwise supervise the administration of the Equity Incentive Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Equity Incentive Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Equity Incentive Plan.

Eligibility

Only persons who are bona fide directors, officers and employees of the Company or of an affiliate or of designated service providers, or designated service providers (“**Participants**”), are eligible to be granted Awards under the Equity Incentive Plan, provided that designated service providers (and directors, officers and employees of designated Service Providers) who are engaged to provide “Investor Relations Activities” (as defined under the corporate finance policies of the CSE) are not eligible to be granted DSUs or RSUs.

Common Shares Subject to the Equity Incentive Plan

The Common Shares to be subject to or related to Awards under the Equity Incentive Plan will be authorized and unissued Common Shares of the Company. The maximum number of Common Shares that are issuable to Participants under Awards subject to this Equity Incentive Plan is that number of Common Shares equal to 15% of the issued and outstanding Common Shares from time to time.

Restrictions on Awards

The Equity Incentive Plan imposes the following restrictions on Common Shares subject to Awards:

- a. The aggregate number of Awards granted to one person (and corporations wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Shares of the Company at the time of the grant (unless the Company has obtained the requisite approval from disinterested Shareholders);
- b. The number of Shares underlying RSUs granted to any one person (and corporations wholly owned by that person) in a 12-month period must not exceed 1% of the issued and outstanding Shares of the Company at the time of the grant;
- c. The number of Shares underlying DSUs granted to any person (and corporations wholly owned by that Person) must not exceed 1% of the issued and outstanding Shares of the Company at the time of the grant;
- d. The aggregate number of Awards granted to one service provider except those service providers engaged in Investor Relations Activities in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company at the time of the grant;
- e. The aggregate number of Awards granted to one service provider engaged in Investor Relations Activities in a 12-month period must not exceed 1% of the issued and outstanding Common Shares of the Company at the time of the grant;
- f. The number of Options granted to insiders (as a group), within a 12-month period at any time, pursuant to the Plan cannot exceed 10% of the issued and outstanding Shares;
- g. The aggregate number of Common Shares issuable under the DSUs granted to insiders (as a group), within a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company at the time of the grant (unless the Company has obtained the requisite approval from disinterested shareholders); and
- h. The aggregate number of Common Shares issuable under the RSUs granted to insiders (as a group), within a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company at the time of the grant (unless the Company has obtained the requisite approval from disinterested Shareholders).

If and to the extent that an Award expires, terminates or is cancelled or forfeited for any reason without having been exercised in full, the Shares associated with that Award will again become available for grant under the Equity Incentive Plan.

Amendment and Termination

The Board may, in its sole discretion, at any time and from time to time, amend, suspend or terminate the Equity Incentive Plan at any time without the approval of Shareholders, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or materially prejudice the rights of any holder under any Award. Notwithstanding those provisions, the Board may not, without the approval of the Shareholders of the Company, make amendments to the Equity Incentive Plan for any of the following purposes: (i) to increase the maximum number of Shares that may be issued pursuant to Awards granted under the Equity Incentive Plan;

(ii) to reduce the exercise price of Options or to cancel and reissue Awards;

(iii) to extend the expiry date of Awards for the benefit of any Participant (including Insiders);

(iv) to increase the maximum number of Shares issuable to Insiders;

(v) to amend these provisions. In addition, the Board may, at any time and from time to time, without the approval of the Shareholders, make amendments to the Equity Incentive Plan including, but not limited to: (i) amendments of a technical, clerical or “housekeeping” nature, or to clarify any provision of the Equity Incentive Plan; (ii) termination of the Equity Incentive Plan; (iii) amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements; (iv) amendments in respect of the vesting provisions of any Awards; and (v) amendments to the termination provisions of Awards granted under the Equity Incentive Plan that do not entail an extension beyond the original expiry date, provided that: (i) any required approval of any regulatory authority or stock exchange is obtained; (ii) if the amendments would reduce the exercise price of Options or extend the expiry date of Awards granted to Insiders, other than as authorized by the Equity Incentive Plan, approval of the Shareholders must be obtained; (iii) the Board would have had the authority to initially grant the Award under the terms as so amended; and (iv) the consent or deemed consent of the holder of the Award is obtained if the amendment would materially prejudice the rights of such holder.

Compensation to Associates

No awards, earnings, payments or payables were made to any associates of named executives or directors of the Company.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Employment, Consulting and Management Agreements

On May 1, 2021, the Company has entered into the CEO Employment Agreement with Timothy Bieber. Pursuant to the CEO Employment Agreement, the Company will: (i) pay Mr. Bieber an annual salary of \$120,000; (ii) issue an aggregate of 400,000 Stock Options each exercisable to acquire one Common Share at an exercise price of \$0.25 for a period of five years from the date of issuance; (iii) issue 600,000 Bonus Warrants with each such warrant exercisable to acquire one Common Share at a price of \$0.25 for a period of five years from the date of issuance and vesting in accordance with performance milestones; (iv) issue the CEO 600,000 Go-Public Shares on completion of a Going Public Transaction (as defined in the Final Prospectus dated August 9, 2021 and available under the Company’s profile on SEDAR (www.sedar.com)); and (v) pay a one-time cash bonus of up to \$25,000 on the achievement by the Company of certain performance milestones.

Oversight and Description of Director and Named Executive Compensation

The Board of Directors has not established any compensation committee nor any policies and practices to determine the compensation for the Company's directors and executive officers.

See "Employment, Consulting and Management Agreements" for compensation arrangements for the Company's NEOs.

The Company has not used any peer group to determine compensation for its directors and NEOs.

There have been no significant changes to the Company's compensation policies made after the financial year ended December 31, 2021 that could or will have an effect on director or NEO compensation.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2021:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	7,400,000 options 8,703,447 warrants	\$0.25 \$0.45	4,007,617 options
Total	16,103,447	\$0.36	4,007,617 options¹

¹ Represents the number of common shares available for issuance under the Equity Incentive Plan, which reserves a number of common shares for issuance, pursuant to the exercise of stock options and rights that is equal to 15% of the issued and outstanding common shares from time to time.

Termination and Change of Control Benefits

The Company does not have any plan or arrangement to pay or otherwise compensate any Named Executive Officer if his employment is terminated as a result of resignation, retirement, change of control, etc. or if his responsibilities change following a change of control.

Pension Plan Benefits and Other Deferred Compensation Plans

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans currently in place or proposed at this time.