

GROUNDPEOPLE APPAREL INC.
(the "Company")

STATEMENT OF EXECUTIVE COMPENSATION
(for the year-ended February 28, 2023)

The following information regarding executive compensation is presented in accordance with *National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers* ("NI 51-102F6V") and sets forth compensation for each of the following persons (the "Named Executive Officers" or "NEOs") and Directors of the Company:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (the "CEO"), 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 (the "CFO"), 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) of NI 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 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 (excluding Compensation Securities¹)

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each current and former director and NEO, 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 for the years ended February 28, 2023.

Name and Position	Year⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees⁽²⁾ (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Maximilian Justus CEO & Director ⁽³⁾	2023	\$65,000	Nil	N/A	N/A	Nil	\$65,000
	2022	Nil	Nil	N/A	N/A	Nil	Nil
Geoff Balderson ⁽⁴⁾ CFO, Corporate Secretary and Director	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
Joel Shacker ⁽⁵⁾ Director	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil

¹ Per NI 51-102F6V, "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.

Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees ⁽²⁾ (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Nima Bahrami ⁽⁶⁾ Director	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
Patrick Morris ⁽⁷⁾ Director	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil

Notes:

- (1) Fiscal year ended February 28th.
- (2) The Company did not pay any Committee or Meeting fees to its Directors for the fiscal years ended February 28, 2023.
- (3) Mr. Justus was appointed CEO and Director of the Company on January 27, 2021.
- (4) Mr. Balderson was appointed as a Director, Chief Financial Officer and Corporate Secretary Director of the Company on January 27, 2021.
- (5) Mr. Shacker was appointed as a Director of the Company on January 27, 2021.
- (6) Mr. Bahrami was appointed as a Director of the Company on January 27, 2021.
- (7) Mr. Morris was appointed as a Director of the Company on January 27, 2021.

Compensation Securities

No compensation securities were granted to Directors of the Company and Named Executive Officers during the financial year ended February 28, 2023.

Exercise of Compensation Securities

No compensation securities were granted to Directors of the Company and Named Executive Officers during the financial year ended February 28, 2023, and therefore none were exercised. Subsequent to the financial year ended February 28, 2023, no exercises of compensation securities were made by a Director or Named Executive Officer of the Company.

Stock Option Plan and Other Incentives

On June 24, 2021, the Company approved a 10% rolling stock option plan (the “**Stock Option Plan**”) to which options may be granted to officers, directors, employees and consultants of the Company or its affiliates, subject to the rules and regulations of applicable regulatory authorities and the Canadian Securities Exchange, or any successor entity, which is the principal stock exchange on which the Shares are listed for trading (the “**Exchange**”). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the authorized share structure of the Company (“**Common Shares**”), 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 Stock Option Plan is administered by the board of directors of the Company (the “**Board**”), or by a special committee of directors of the Company appointed from time to time by the Board, pursuant to rules of procedure fixed by the Board. All stock options granted pursuant to the Stock Option Plan will be subject to the rules and policies of the Exchange after the listing of the Common Shares on the Exchange.

Eligibility

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries shall be eligible for selection to participate in the Stock Option Plan.

Availability

The Stock Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares available for issuance under the Stock Option Plan.

The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Company has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (a) any one consultant, or (b) parties providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares. The number of Common Shares subject to an option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the Exchange. In no circumstances shall the maximum term of any stock options granted under the Stock Option Plan exceed ten (10) years.

Exercise Pricing

The exercise price of the Common Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

Option Terms

The terms of an option may not be amended once issued, except as permitted by the Exchange. If an option is cancelled prior to its expiry date, the Company must post notice of the cancellation on the Exchange website and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Vesting

Subject to the requirements of the Exchange, the vesting provisions, the terms and conditions of exercise and forfeiture of the Options and the applicable option exercise expiry date for Options granted under the Stock Option Plan will be determined by the Board at the time of issuance. As at the date of the Company's management information circular dated October 10, 2023 for the Company's annual general and special meeting of shareholders held on November 15, 2023, there were 1,501,000 Options outstanding. Based on the Company having 23,212,006 Common Shares outstanding (as of the Record Date), 3,141,401 Options could be granted under the Stock Option Plan.

On October 10, 2022, the Board passed a resolution to approve a New Plan which will replace the existing Stock Option Plan in their entirety upon approval by the Shareholders. Pursuant to the Board's authority to govern the implementation and administration of the New Plan, all previously granted and outstanding stock options shall be governed by the provisions of the New Plan once the New Plan comes into effect. For details of the New Plan, see "*Particulars of Matters to be Acted Upon – Approval of New Equity Incentive Plan*" above.

Employment, Consulting and Management Agreements and Arrangements

The Board recognizes the value of the Named Executive Officers and the importance of their consistent focus in the event of a possible change of control. It was determined by the Board that it is in the best interests of the Company to ensure that the consistency and stability of the Named Executive Officers is maintained during any change of control. As of the date hereof, other than as disclosed below, the Company does not have any employment, consulting and/or management agreements or arrangements with any Named Executive Officers of the Company, nor any arrangements with respect to termination or a change of control of the Company.

On August 16, 2022, the Company entered into an executive employment agreement (the “**Employment Agreement**”) with Mr. Maximillian Justus whereby Mr. Justus agrees to provide certain services to the Company in his position as CEO and in accordance with the terms of the Employment Agreement in exchange for an annual salary of \$120,000. Mr. Justus is also eligible to earn a discretionary bonus from time to time as determined by the Board. In the event the Company terminates the employment of Mr. Justus without just cause, or the Employment Agreement is terminated by Mr. Justus for good reason (including but not limited to a change of control of the Company), the Company will pay a lump sum amount equal to six months annual compensation, plus one additional month for every completed year of employment with the Company.

The Company entered into a corporate administration and financial advisory agreement (the “**Advisory Agreement**”) with Amalfi on March 1, 2021, as amended on July 15, 2022, to provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Advisory Agreement in exchange for a monthly fee of \$10,000 plus applicable taxes. Amalfi will also be reimbursed by the Company for all out-of-pocket expenses incurred by it on behalf of the Company pursuant to the Advisory Agreement. The Advisory Agreement is for an initial term of twelve (12) months and shall continue thereafter on a month-to-month basis subject to termination by either party with thirty (30) days’ written notice, however either party may terminate the Advisory Agreement for just cause without prior notice. If the Advisory Agreement is terminated for any reason, Amalfi is entitled to receive fees and reimbursable expenses to the date of termination. In the event that certain transactions are concluded within eighteen months of termination of the Advisory Agreement with certain parties contacted by Amalfi or the Company during the term of the Advisory Agreement, Amalfi will be entitled to transaction success fees as though no such termination had occurred. Amalfi is private company controlled by Geoff Balderson, CFO, Corporate Secretary and a Director of the Company.

Oversight and Description of Director and Executive Officer Compensation

Compensation of Directors

The Board is responsible for developing the compensation strategy of the Company and evaluating executive compensation levels on an annual basis to ensure that the Company’s executive compensation levels are within the range of comparable companies. Among the guiding principles in setting executive compensation is to attract, retain, and motivate high-performing executives through competitive compensation practices.

The Board recommends the amount of cash compensation that will be paid to the Directors of the Company for their services as Directors. Directors who are also members of management do not receive cash compensation for their role as Directors of the Company. Both non-management Directors and management Directors may, however, receive RSUs and Options for their role as Directors and/or executive Officers with the Company, in such amounts and upon such terms as may be approved by the Board from time to time. The process for determining RSU and Option awards for Directors of the Company is based on discussions by the members of the Board and the executive team. Option and RSU grants are typically made at the beginning of each fiscal year. The number of Options and RSUs granted will depend on the performance of each Director. Previous grants of Options also provide a basic guideline for the Board in determining new Option grants.

Additionally, non-executive Directors are entitled to be reimbursed for expenses incurred by them in their capacity as Directors.

During the fiscal year ended February 28, 2023, the Directors and Named Executive Officers were not granted any Options, and none of the Directors of the Company were compensated for services during the financial year ended February 28, 2023, pursuant to any other arrangement.

Compensation of Named Executive Officers

Compensation of the Company's Named Executive Officers is reviewed annually and determined by the Board. The level of compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Base Salaries

Base salaries for Named Executive Officers of the Company are reviewed annually by the Board, considering both corporate and individual performance objectives based on individual levels of responsibility. Rather than strictly applying formulas and weightings to forward-looking objectives, which may lead to unintended consequences for compensation purposes, the Board exercises its discretion and uses sound judgment in making compensation determinations. For this reason, the salaries of the Named Executive Officers of the Company are not determined based on specific benchmarks or a specific formula. Instead, the Board's assessment is based on a number of qualitative and quantitative factors, including execution of on-going projects and transactions, operational performance and progress on key growth initiatives. Additionally, in establishing the levels of base salary and the award of stock Options, the Board takes into consideration an executive's responsibilities, length of service and levels of compensation provided by industry competitors.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.