



TUGA INNOVATIONS, INC.
(the “Company”)

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION
(for the financial year ended July 31, 2023)

The following information is provided in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers*. In this Statement of Executive Compensation, references to the “Company” refer to TUGA Innovations, Inc. All monetary amounts herein are expressed in Canadian Dollars (“\$”) unless otherwise stated.

Except where otherwise indicated, the information contained herein is stated as of July 31, 2023.

For the purposes set out below, “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) each individual who, during any part of the Company’s most recently completed financial year, served as the Company’s chief executive officer (“CEO”), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, during any part of the Company’s most recently completed financial year, served as the Company’s chief financial officer (“CFO”), including an individual performing functions similar to a chief executive officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other, than the CEO and the CFO, 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) above 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.

As at the end of the Company’s most recently completed financial year ended July 31, 2023, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation, excluding compensation securities

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, for services provided and for services to be provided, directly or indirectly to the Company or a subsidiary of the Company, for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended July 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John Hagie ⁽¹⁾⁽²⁾ <i>Portugal</i> Chief Executive Officer and Director	2023	86,843	Nil	Nil	Nil	Nil	86,843
	2022	76,943	Nil	Nil	Nil	Nil	76,943
Faizaan Lalani ⁽³⁾ <i>British Columbia, Canada</i> Chief Financial Officer and Corporate Secretary and Director	2023	84,000	Nil	Nil	Nil	Nil	84,000
	2022	96,000	Nil	Nil	Nil	Nil	96,000
Cesar Barbosa ⁽¹⁾⁽⁴⁾⁽⁵⁾ <i>Portugal</i> Vice President and Director	2023	88,565	Nil	Nil	Nil	Nil	88,565
	2022	78,318	Nil	Nil	Nil	Nil	78,318
Antonio Camara ⁽¹⁾ <i>Portugal</i> Director	2023	47,973	Nil	Nil	Nil	Nil	47,973
	2022	37,833	Nil	Nil	Nil	Nil	37,833
Lucas Leonardi ⁽⁶⁾ <i>France</i> Director	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Daren Hermiston ⁽⁷⁾ <i>British Columbia, Canada</i> Former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Kraig Schultz ⁽¹⁾⁽⁸⁾ <i>Michigan, USA</i> Former Chief Technology Officer and Director	2023	6,579	Nil	Nil	Nil	Nil	6,579
	2022	70,100	Nil	Nil	Nil	Nil	70,100
Ross Plummer ⁽¹⁾⁽⁹⁾ <i>Netherlands</i> Former Chief Marketing Officer	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	70,531	Nil	Nil	Nil	Nil	70,531
Edmundo Nobre ⁽¹⁾⁽¹⁰⁾ <i>Portugal</i> Former Director	2023	45,289	N/A	N/A	N/A	N/A	45,289
	2022	24,045	Nil	Nil	Nil	Nil	24,045

Notes:

- (1) Messrs. Hagie, Barbosa, Camara, Schultz, Plummer, and Nobre were compensated in US dollars. The figures presented in the table have been converted to Canadian dollars using the Bank of Canada exchange rates of C\$1 to USD\$0.7589 on July 31, 2023 for the figures presented for the 2023 financial year, and C\$1 to USD\$0.7798 on July 31, 2022 for the figures presented for the 2022 financial year.
- (2) Mr. Hagie's total compensation was US\$60,000 for the year ended 2022 and US\$64,717 for the year ended 2023 for his position as CEO. Mr. Hagie's total compensation was \$Nil for the year ended 2022 and \$Nil for the year ended 2023 for his position as a director of the Company.

- (3) Mr. Lalani's total compensation was \$96,000 for the year ended 2022 and \$84,000 for the year ended 2023 for his position as CFO and Corporate Secretary. Mr. Lalani's total compensation was \$Nil for the year ended 2022 and \$Nil for the year ended 2023 for his position as a director of the Company.
- (4) Mr. Barbosa was elected as a director on December 7, 2022.
- (5) Mr. Barbosa's total compensation was US\$61,072 for the year ended 2022 and US\$66,000 for the year ended 2023 for his position as Vice President. Mr. Barbosa's total compensation was \$Nil for the year ended 2023 for his position as a director of the Company.
- (6) Mr. Leonardi was appointed as a director on October 13, 2022.
- (7) Mr. Hermiston resigned as a director on August 2, 2023.
- (8) Mr. Schultz served as Chief Technology Officer from June 30, 2021 to April 14, 2022, and served as a director of the Company from June 30, 2021 to October 13, 2022.
- (9) Mr. Plummer served as Chief Marketing Officer from January 17, 2022 to June 30, 2022.
- (10) Mr. Nobre served as a director of the Company from May 17, 2021 to January 7, 2022.

Stock Options and Other Compensation Securities

The following table provides a summary of compensation securities granted or issued to each director or NEO by the Company or its subsidiaries in the most recently completed financial year ended July 31, 2023 for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries.

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	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
John Hagie <i>Portugal</i> Chief Executive Officer and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Faizaan Lalani <i>British Columbia, Canada</i> Chief Financial Officer and Corporate Secretary and Director	Options ⁽¹⁾	100,000	January 11, 2023	\$0.10	\$0.065	\$0.035	January 11, 2025
Cesar Barbosa <i>Portugal</i> Vice President & Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Antonio Camara <i>Portugal</i> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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	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
Lucas Leonardi <i>France</i> Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Daren Hermiston <i>British Columbia, Canada</i> Former Director	Options ⁽²⁾	100,000	January 11, 2023	\$0.10	\$0.065	\$0.035	January 11, 2025

Notes:

- (1) 100,000 Options previously granted to Mr. Lalani on December 8, 2021 expired on December 8, 2023.
- (2) 100,000 Options previously granted to Mr. Hermiston on December 8, 2021 and 100,000 Options granted on January 11, 2023 were terminated on October 31, 2023 in accordance with the amended Plan following Mr. Hermiston's resignation on August 2, 2023.

No stock options or RSUs were exercised by a director or NEO during the Company's most recently completed financial year.

Stock Option Plans and Other Incentive Plans

On September 22, 2021, the Board approved the Company's 2021 Omnibus Equity Incentive Compensation Plan (the "Plan") and the Plan became effective on December 2, 2021. On November 3, 2022, the Plan was amended by the Board to increase the number of Common Shares issuable pursuant to restricted share units ("RSUs"), share appreciation rights ("SARs"), deferred share unit rights ("DSUs"), and performance share units ("PSUs") issued under the Plan from 4,229,508 to 4,449,502. The amended Plan was approved by the shareholders of the Company (the "Shareholders") at the annual general meeting of Shareholders held on December 7, 2022. Pursuant to policies of the Canadian Securities Exchange (the "CSE"), the amended Plan must be approved by Shareholders within three years after institution and within every three years thereafter.

The purpose of the Plan is to provide an incentive to directors, officers, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

The Plan is administered by the Board (or a committee thereof) and provides that the Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to eligible Participants (as defined in the Plan), non-transferable awards (the "Awards"). Such Awards include options ("Options"), RSUs, SARs, DSUs, and PSUs.

The number of Common Shares reserved for issuance pursuant to Options granted under the Plan will not, in the aggregate, exceed 10% of the then issued and outstanding Common Shares on a rolling basis. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Plan shall

not exceed 4,449,502, in the aggregate.

The maximum number of Common Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the CSE is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the CSE). Further, unless disinterested shareholder approval as required by the policies of the CSE is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Common (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

On a Change of Control (as defined in the Plan) of the Company, the Board shall have discretion as to the treatment of Awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control. If there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date (as defined in the Plan), if the Participant is an employee, officer or a director and their employment, or officer or director position is terminated or they resign for Good Reason (as defined in the Plan) within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the CSE is either obtained or not required.

The following is a summary of the various types of Awards issuable under the Plan.

Options

Subject to any requirements of the CSE, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Plan), all Options, whether vested or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; (v) subject to paragraph (vi) below, in all other cases where a Participant ceases to be eligible under the Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Plan and be exercisable for a period of 90 days after the Termination Date; and (vi) notwithstanding paragraphs (i)-(v), in connection with the resignation of the Participants holding options to purchase Common Shares granted to the directors and officers of the Company under the Plan, such options shall be exercisable for a period of 90 months after the Termination Date.

The exercise price of the Options will be determined by the Board at the time any Option is granted. In no event will such exercise price be lower than the last closing price of the Common Shares on the CSE less any discount permitted by the rules or policies of the CSE at the time the Option is granted. Subject to any vesting restrictions imposed by the CSE, or as may otherwise be determined by the Board at the time of grant, Options shall vest equally over a four year period such that ¼ of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

Restricted Share Units

Subject to any requirements of the CSE, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2½ months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date. Subject to any vesting restrictions imposed by the CSE, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that ⅓ of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

Share Appreciation Rights

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion. Subject to any requirements of the CSE, the Board may determine the vesting terms and expiry date of each SAR. Subject to a limited extension if a SAR expires during a Black Out Period, SARs will not be exercisable later than the tenth anniversary date of its grant. Subject to compliance with the rules of the CSE, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Plan.

Deferred Share Units

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. Subject to any requirements of the CSE, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date. Subject to compliance with the rules of the CSE, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Plan.

Performance Share Units

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. Subject to any requirements of the CSE, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) 2½ months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date. Subject to compliance with the rules of the CSE, the Board may determine, at the time of grant, the treatment of PSUs upon a Participant ceasing to be eligible to participate in the Plan.

External Management Companies

Except as disclosed herein, the Company is not party to any agreement or arrangement under which compensation was provided during the Company's most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO or a person performing services of a similar capacity.

John Hagie, working for Red Wave Marketing Services (“**Red Wave**”) entered into a general contract for services with TUGA-Global Inc., the Company's wholly-owned subsidiary, (“**TUGA-Global**”) dated May 25, 2021 pursuant to which Mr. Hagie agreed to provide to TUGA-Global and the Company certain executive officer services commencing on May 1, 2021 until October 31, 2021, and the contract was extended until October 31, 2022 on the same conditions. On January 17, 2023, the Company and Mr. Hagie agreed to extend this contract for an additional 12 months until October 31, 2023 on the same conditions. The contract with Mr. Hagie was subsequently extended for another 12 months until October 31, 2024. In consideration for Mr. Hagie's role as Chief Executive Officer, the Company has agreed to compensate Red Wave USD\$5,000 per month.¹

Employment, Consulting and Management Agreements

Other than as disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

General Contract for Services

Cesar Barbosa entered into a general contract for services with TUGA-Global dated January 1, 2022 pursuant to which Mr. Barbosa agreed to provide to TUGA-Global and the Company certain executive officer services commencing on January 1, 2022 until December 31, 2022. The contract with Mr. Barbosa was subsequently extended until December 31, 2024. In consideration for Mr. Barbosa's role as Vice President, Urban Mobility and Design, the Company has agreed to compensate Mr. Barbosa USD\$6,000 per month.²

Antonio Camara entered into a general contract for services with TUGA-Global dated October 15, 2021 pursuant to which Mr. Camara agreed to provide to TUGA-Global and the Company certain director services commencing on October 15, 2021 until December 31, 2022. The contract with Mr. Camara was subsequently extended until December 31, 2024. In consideration for Mr. Camara's role as director, the Company has agreed to compensate Mr. Camara USD\$3,250 per month.³

¹ Approximately \$6588 based on the Bank of Canada exchange rate of C\$1 to USD\$0.7589 on July 31, 2023.

² Approximately \$7906 based on the Bank of Canada exchange rate of C\$1 to USD\$0.7589 on July 31, 2023.

³ Approximately \$4283 based on the Bank of Canada exchange rate of C\$1 to USD\$0.7589 on July 31, 2023

Oversight and Description of Director and Named Executive Officer Compensation

The Company, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its directors and officers and primarily relies on the discussions and determinations of the Board. When determining individual compensation levels for the Company's NEOs, a variety of factors will be considered including: the overall financial and operating performance of the Company, each NEO's individual performance and contribution towards meeting corporate objectives and each NEO's level of responsibility and length of service.

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

Pension disclosure

The Company does not have in place any pension plans that provide for payments or benefits at, following, or in connection with retirement.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ website at www.sedarplus.ca.

DATED this 29th day of January, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

“John Hagie”

John Hagie

Chief Executive Officer