

**FENDX TECHNOLOGIES INC.**  
(the “Company”)

**STATEMENT OF EXECUTIVE COMPENSATION**  
**Form 51-102F6V**  
**Statement of Executive Compensation – Venture Issuers**

**General**

“Company” means FendX Technologies 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;

“**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 (“**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 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;

“**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, 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 (\$)	Total Compensation (\$)
Dr. Carolyn Myers <sup>(2)</sup> <i>President, CEO and Director</i>	2023	240,000	-	-	-	-	240,000
	2022	240,000	-	-	-	-	240,000
Rose Zanic <sup>(3)</sup> <i>CFO and Corporate Secretary</i>	2023	173,750	25,000	-	-	-	198,750
	2022	132,188	-	-	-	-	132,188
Andrea Mulder <sup>(4)</sup> <i>Chief Operating Officer</i>	2023	165,000	33,000	-	-	3,190	201,190
	2022	165,000	33,000	-	-	2,750	200,750
Stephen Randall <sup>(5)</sup> <i>Director</i>	2023	29,671	-	-	-	-	29,671
	2022	-	-	-	-	-	-
Pierre Soulard <sup>(5)</sup> <i>Director</i>	2023	24,726	-	-	-	-	24,726
	2022	-	-	-	-	-	-
Ian Mark Landy <sup>(6)</sup> <i>Former Director</i>	2023	-	-	-	-	-	-
	2022	46,538	-	-	-	-	46,538
Prakash Gowd <sup>(6)</sup> <i>Former Director</i>	2023	-	-	-	-	-	-
	2022	46,438	-	-	-	-	46,438

(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) Dr. Carolyn Myers has been the CEO, President and a director of the Company since July 28, 2020.

(3) Rose Zanic has been the CFO of the Company since February 17, 2022 and the Corporate Secretary of the Company since September 22, 2022.

(4) Andrea Mulder has been the Chief Operating Officer ("COO") of the Company since May 17, 2021.

(5) Stephen Randall and Pierre Soulard each has been a director of the Company since January 4, 2023.

(6) Mark Landy and Prakash Gowd each resigned from being a director of the Company on December 5, 2022.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and 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:

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
Dr. Carolyn Myers <i>President, CEO and Director</i>	Stock Options <sup>(1)</sup>	400,000/400,000/ 14.59%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Rose Zanic <i>CFO and Corporate Secretary</i>	Restricted Stock Units <sup>(2)</sup>	150,000/150,000/ 5.48%	January 24, 2023	N/A	N/A <sup>(3)</sup>	0.18	N/A <sup>(2)</sup>
Andrea Mulder <i>Chief Operating Officer</i>	Stock Options <sup>(1)</sup>	150,000/150,000/ 5.48%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Stephen Randall <i>Director</i>	Stock Options <sup>(1)</sup>	300,000/300,000/ 10.95%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028
Pierre Soulard <i>Director</i>	Stock Options <sup>(1)</sup>	300,000/300,000/ 10.95%	January 24, 2023	\$0.30	N/A <sup>(3)</sup>	0.18	January 24, 2028

<sup>(1)</sup> These stock options vest as follows: (i) one-third on January 24, 2023, (ii) one-third on January 24, 2024 and (iii) one-third on January 24, 2025.

<sup>(2)</sup> 100% of these restricted stock units vested on May 24, 2023.

<sup>(3)</sup> The common shares of the Company (each, a "Share") were not listed for trading on the date of grant.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at December 31, 2023:

Name and Position	Number of Options Held as at December 31, 2023	Option Exercise Price	Expiry Date
Dr. Carolyn Myers <i>President, CEO and Director</i>	450,000	\$0.15	April 22, 2027
	400,000	\$0.30	January 24, 2028
Rose Zanic <i>CFO and Corporate Secretary</i>	300,000	\$0.30	December 24, 2027
Andrea Mulder <i>Chief Operating Officer</i>	150,000	\$0.15	April 22, 2027
	150,000	\$0.30	January 24, 2028
Stephen Randall <i>Director</i>	300,000	\$0.30	January 24, 2028
Pierre Soulard <i>Director</i>	300,000	\$0.30	January 24, 2028

No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Company's financial year ended December 31, 2023.

#### **Exercise of Compensation Securities by Directors and NEOs**

No compensation securities were exercised by directors and NEOs in the year ended December 31, 2023, other than 150,000 RSUs granted to the CFO that vested on May 24, 2023.

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

The Company currently has an equity incentive plan (the "**Equity Incentive Plan**") which was adopted by the board of directors of the Company (the "**Board**") on October 19, 2021.

The purpose of the Equity Incentive Plan is to attract, retain and motivate key individuals. The Equity Incentive Plan is available to directors, officers, employees and consultants of the Company and its subsidiaries, as determined by the Board. The maximum number of Shares available for issuance under the Equity Incentive Plan in respect of awards shall not exceed 20% of the issued and outstanding number of Shares from time to time. All of the Shares covered by exercised, cancelled or terminated awards will automatically become available Shares for the purposes of awards that may be subsequently granted under the Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases. As a result, the Equity Incentive Plan is considered an "evergreen" plan. As of the date hereof, a total of 2,741,667 awards have been granted under the Plan which are currently outstanding, comprised of 2,741,667 Options (as defined below).

So long as it is required by the rules and policies of the Canadian Securities Exchange (the "**Exchange**") or such other exchange upon which the Shares may be come listed for trading, the total number of Shares issuable to persons performing investor relations activities on behalf of the Company pursuant to the Equity Incentive Plan, together with Shares issuable to all persons performing investor relations activities under all of the Company's other security-based compensation arrangements, shall not exceed two (2%) percent of the issued and outstanding Shares in any twelve-month period. Except as otherwise provided in an applicable award agreement or as determined by the Board, neither awards nor any rights under any such awards shall be assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

The Equity Incentive Plan provides for the issuance of "stock options", "restricted share units", "performance share units" and "deferred share units".

*Stock Options:* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of stock options (the "**Options**") to directors, employees and consultants. An Option entitles a holder thereof to purchase a prescribed number of treasury Shares at an exercise price set at the time of the grant. Such grant may be settled in Shares, cash or combination thereof in the discretion of the Board. If settled in cash, such payment will be equal to the In-the-Money Amount (as defined below). The Board will establish the exercise price at the time each Option is granted, which exercise price, while the Shares are listed for trading on the Exchange, must in all cases be not less than the closing price of the Shares on the Exchange on the date of grant. Subject to any accelerated termination as set forth in the Equity Incentive Plan, each Option expires on its respective expiry date. The Board will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Board, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Board has the right to accelerate the date upon which any Option becomes exercisable. The Board may provide at the time of granting an Option that the exercise of that Option is subject to

restrictions, in addition to those specified in the Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Board at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. Subject to the policies of the Exchange, a participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a "**Cashless Exercise**") in consideration for an amount from the Company equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Shares (the "**In-the-Money Amount**") by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the Equity Incentive Plan and the policies of the Exchange, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Shares having a fair market value equal to the In-the-Money Amount.

If a participant's employment, consulting agreement or arrangement is terminated for cause, or is voluntarily terminated by the participant, any Options granted to the participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and canceled as of the termination date. If a participant's employment, consulting agreement or arrangement is terminated without cause, or termination is due to the participant's death or disability, a portion of any unvested Options granted to the participant will, subject to the applicable award agreement, immediately vest, such portion to be equal to the number of unvested Options held by the participant as of the termination date, disability date, or date of death, as applicable, multiplied by a fraction the numerator of which is the number of days between the date of grant and the termination date, disability date, or date of death, as applicable, and the denominator of which is the number of days between the date of grant and the date any unvested Options were originally schedule to vest. Any vested Options may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Options; and (B) the date that is 90 days after the termination date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all Options granted to such participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and cancelled as of the termination date. If a participant retires, then a portion of any unvested Options shall immediately vest, such portion to be equal to the number of unvested Options held by the participant as of the retirement date, multiplied by a fraction the numerator of which is the number of days between the date of grant and the retirement date, and the denominator of which is the number of days between the date of grant and the date any unvested Options were originally schedule to vest. Any vested Option may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the third anniversary of the participants date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. Notwithstanding the foregoing, if, following the participant's retirement, the participant commences active service with the Company, or acts as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Options held by such participant that have not been exercised or settled as of the commencement date shall be immediately forfeited and cancelled as of the commencement date.

*Restricted Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of restricted share units (each, an "**RSU**") to directors, employees and consultants. RSUs shall be subject to such vesting restrictions as the Board may establish in the applicable award agreement. The typical restriction for RSUs is time based (i.e. vesting after a fixed period of time). Each vested RSU, at the election of the participant but subject to the approval of the Board, shall be settled in one fully paid and non-assessable Share, a cash payment, or a combination of Shares and cash.

*Performance Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of performance share units (each, a “**PSU**”) to directors, employees and consultants. Each PSU shall, contingent upon the attainment of the performance criteria within the applicable performance cycle, represent one Share, a cash payment, or a combination thereof, unless otherwise specified in the applicable award agreement. The performance criteria will be established by the Board which, without limitation, may include criteria based upon the achievement of corporate, divisional or individuals goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. Typical performance criteria could include gross revenues, earnings before interest, taxes, depreciation and amortization, share price performance, the attainment of a specified amount of financing or satisfaction of a participant’s key performance indicators. The applicable award agreement may provide the Board with the right to revise the performance criteria during a performance cycle or after it has ended, if unforeseen events occur, including, without limitation, changes in capitalization, equity restructuring, acquisitions or divestitures, if such events have a substantial effect on the financial results of the Company and make the application of the performance criteria unfair absent a revision. All PSUs will vest and become payable to the extent that the performance criteria are satisfied in the sole determination of the Board.

*Deferred Share Units.* The Equity Incentive Plan provides that the Board may, from time to time, in its sole discretion, grant awards of deferred share units (each, a “**DSU**”, and together with RSUs and PSUs, the “**Awards**”) to directors in lieu of director fees (but not to employees or consultants). The number of DSUs to be granted to a participant shall be calculated by dividing the amount of fees selected by the director by the market price on the grant date. The market price is defined in the Equity Incentive Plan as the five-day weighted average closing price of the Shares on the immediately preceding five trading days prior to the grant date. Except as otherwise determined by the Board or set forth in the award agreement, DSUs shall vest immediately. Each vested DSU may be redeemed for one Share, or at the election of the participant and subject to Board approval, a cash payment, with such cash payment calculated by multiplying the number of DSUs to be redeemed for cash by the market price per Share as at the settlement date.

*Termination of Employee, Consultant or Director.* If a participant’s employment, consulting agreement or arrangement is terminated for cause, or is voluntarily terminated by the participant, any Awards granted to the participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and canceled as of the termination date. If a participant’s employment, consulting agreement or arrangement is terminated without cause, or termination is due to the participant’s death or disability, a portion of any unvested RSUs granted to the participant will, subject to the applicable award agreement, immediately vest, such portion to be equal to the number of unvested Awards held by the participant as of the termination date, disability date, or date of death, as applicable, multiplied by a fraction the numerator of which is the number of days between the date of grant and the termination date, disability date, or date of death, as applicable, and the denominator of which is the number of days between the date of grant and the date any unvested Awards were originally schedule to vest. Any Awards granted to such participant that had vested prior to the participant’s termination without cause, death or disability will be settled within 90 days after the termination date, disability date, or date of death, as applicable. In the case of directors, if a participant ceases to be a director for any reason, subject to the applicable award agreement, all Awards granted to such participant that have not been exercised, surrendered or settled as of the termination date will be immediately forfeited and cancelled as of the termination date. If a participant retires, then (i) a portion of any unvested Awards shall immediately vest, such portion to be equal to the number of unvested Awards held by the participant as of the retirement date, multiplied by a fraction the numerator of which is the number of days between the date of grant and the retirement date, and the denominator of which is the number of days between the date of grant and the date any unvested Awards were originally schedule to vest, (ii) any outstanding Awards that vest based on the achievement of performance goals and that have not previously become vested shall continue to be eligible to vest based upon the actual achievement of such performance goals. In the case of a vested Award described in (ii) above, such Awards will be settled at the same time the Award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing,

if, following the participant's retirement, the participant commences active service with the Company, or acts as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Awards held by such participant that have not been exercised or settled as of the commencement date shall be immediately forfeited and cancelled as of the commencement date.

*Change of Control.* The Board may, without the consent of any participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards or Options into or for, rights or other securities of substantially equivalent value in any entity participating in or resulting from a change in control; (ii) outstanding Awards or Options to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award or Option to lapse, in whole or in part prior to or upon consummation of such merger or change of control, or for such Awards or Options to terminate; (iii) the termination of an Award or Option in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or Option or realization of the participant's rights as of the date of the occurrence of the transaction; (iv) the replacement of such Award or Option with other rights or property selected by the Board where such replacement would not adversely affect the holder; or (v) any combination of the foregoing.

The Equity Incentive Plan was approved by the shareholders of the Company on June 16, 2023 and is next required to be approved by the shareholders on or before June 16, 2026. A copy of the Equity Incentive Plan is attached as Schedule "B" to the Company's Notice and Information Circular dated May 16, 2023 and filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

Except as described below, the Company does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

The Company has entered into a consulting agreement with an effective date of January 1, 2022, as amended, with BioEnsemble LLC ("BioEnsemble") for the provision of services by Dr. Carolyn Myers to the Company as its CEO. The Company and BioEnsemble also entered into an indemnification agreement dated December 27, 2021. Pursuant to the consulting agreement, BioEnsemble receives monthly compensation of \$20,000 per month with a discretionary annual bonus payable of up to 20%. The consulting agreement has a 12-month term and is automatically renewed for successive one-year periods thereafter, unless terminated. The consulting agreement may be terminated by the Company at any time upon the provision of at least 30 days' written notice unless there is a change of control, in which case by the Company by giving at least twelve months advance notice in writing to BioEnsemble and by BioEnsemble on at least 30 days' written notice.

The Company has also entered into a consulting agreement dated February 17, 2022, as amended, with RCF Advisors Ltd. ("RCF") for the provision of management, financial and administrative services, including services provided by Ms. Zanic as its CFO. RCF receives compensation of \$250 per hour plus GST, subject to a minimum monthly fee of \$7,000 plus GST. The consulting agreement has a 12-month term and is automatically renewed for successive one-year periods thereafter, unless terminated. The agreement may be terminated by the Company at any time by the provision of at least 30 day's written notice or by RCF at any time upon the provision of at least 60 days' notice.

The Company entered into an employment agreement dated August 8, 2022 with Andrea Mulder for the provision of services by Ms. Mulder to the Company as its COO. Pursuant to the employment agreement, Ms. Mulder receives annual compensation of \$165,000 per year payable semi-monthly in arrears with a discretionary year-end bonus payable of up to 20%. The employment agreement includes termination

provisions, and may be terminated by the Company at any time upon the provision of at least 3 months' notice and by Ms. Mulder on 30 days' written notice. In the event Ms. Mulder's employment is terminated by the Company within 12 months of a change of control of the Company, the Company shall pay a lump sum to Ms. Mulder equal to 6 months of monthly compensation. The Company and Ms. Mulder also entered into an indemnification agreement dated December 27, 2021.

The Company entered into a director services agreement dated January 4, 2023 with Stephen Randall to act as an independent director and an indemnification agreement dated January 4, 2023. Mr. Randall receives a director fee of \$25,000 per year and \$5,000 per year for acting as audit committee chair, which director fee may be paid in cash or Shares.

The Company entered into a director services agreement dated January 4, 2023 with Pierre Soulard to act as an independent director and an indemnification agreement dated January 4, 2023. Mr. Soulard receives a director fee of \$25,000 per year, which director fee may be paid in cash or Shares.

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

The Company currently has in place a Compensation Committee, as described below. The Compensation Committee is responsible for setting the overall compensation strategy of the Company and administering the Company's director and executive compensation program with input from the CEO of the Company in respect of all executive officers other than the CEO. As part of its mandate, the Board approves the remuneration of the directors and NEOs of the Company. The NEOs of the Company for the financial years ended December 31, 2023 and December 31, 2022, were the CEO, CFO and COO, and these NEOs are the NEOs of the Company. The Board is also responsible for reviewing the Company's compensation policies and guidelines generally. Directors and NEOs that are also directors of the Company disclose their interest in and abstain from voting on any compensation decisions relating to them, as applicable, in accordance with applicable corporate legislation. The objective of Company's executive compensation program is to motivate, reward, and retain management talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive and is commensurate with the experience, performance, and contribution of the individuals involved and the overall performance of the Company. In evaluating performance, consideration is given to the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time as well as the Company's financial resources. The Company, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Compensation Committee and Board based on recommendations from the CEO. Compensation of directors is reviewed and approved by the Compensation Committee and Board. *Elements of Compensation*

The executive compensation program is comprised of three principal components: (i) base salaries or executive consultant fees; (ii) bonuses, and (iii) the Equity Incentive Plan. Each component of the executive compensation program is described below.

#### *Base Salaries and Executive Consulting Fees*

NEOs are paid a base salary or executive consultant fee to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries or executive consulting fees is an important component of the intended compensation program and serves to attract and retain qualified individuals. The Company does not have pre-existing performance criteria or objectives. All significant elements of compensation awarded to, earned by, paid or payable to NEOs are determined by the Company on a subjective basis which includes assessment of factors particular to the executive, including individual performance, the scope of the executive's role with the Corporation and retention



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

#### *Bonuses*

The Board may from time to time approve bonus payments to reward NEOs for their performance and contribution to the Company based on recommendations of the CEO. The Company does not have pre-existing performance criteria or objectives. Bonuses also serve as a retention incentive for NEOs so that they remain in the employ of the Company. The payment of bonuses is consistent with the intended overall objective of the Company to reward performance. *Equity Incentive Plan*

The Board has the responsibility to administer compensation policies related to executive management of the Company, including share-based awards. The Board has approved the Equity Incentive Plan pursuant to which the Board has granted stock options and/or RSUs to executive officers. The Equity Incentive Plan provides compensation to participants and an additional incentive to work toward long-term company performance. The Equity Incentive Plan has been and will be used to provide stock options, PSUs, DSUs and/or RSUs which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options, PSUs, DSUs and/or RSUs to be granted to the executive officers, the Board takes into account the number of options, PSUs, DSUs and/or RSUs, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange, and closely align the interests of the executive officers with the interests of shareholders.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

#### **Pension Plan Benefits**

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