

**STATEMENT OF EXECUTIVE COMPENSATION
FOR THE YEAR ENDED DECEMBER 31, 2017
INVENTRONICS LIMITED (THE "CORPORATION")**

Compensation Discussion and Analysis

For 2017, the Corporation's Named Executive Officers (as defined in Form 51-102F6 of National Instrument 51-102 *Continuous Disclosure Obligations*) included the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO"), the Vice President, Operations ("VP Operations") and the Vice President, Sales & Marketing ("VP Sales") (collectively also referred to as the "Management Group"). The Board of Directors of the Corporation (the "Board") does not presently have a compensation committee and as such all decisions relating to compensation are made by the Board. No compensation consultant or advisor has been retained by the Corporation in the last two most recently completed financial years. The Board has not considered the implications of the risks associated with the Corporation's compensation policies and practices since the members of the Management Group are also the controlling shareholders of the Corporation and are fulfilling their employment responsibilities at compensation levels lower than similar companies with which members of the Board are familiar. The Board reviews the Management Group's compensation at least annually and, when and if, the Corporation's financial condition improves, it is the Board's intention to increase base compensation to levels more commensurate to the Management Group's experience, qualifications and responsibilities. It is the Board's opinion that the current compensation structure is appropriate for the Corporation's financial circumstances and prevailing economic conditions.

At January 1, 2017, the Corporation's compensation plan for each full-time member of the Management Group (CFO, VP Operations, VP Sales) included an annual base salary of \$130,000, a flexible salary component ("Flex-pay") designed to vary depending on the financial performance of the Corporation, and a monthly auto allowance of \$750. With respect to the annual base salary, during 2017, each full time member of the Management Group earned \$120,000 where the difference from the Corporation's compensation plan was due to the continuation of a voluntary, temporary reduction offered by the Management Group effective February 1, 2015 due to the Corporation's financial circumstances. Recognizing that the CEO functions on a part-time basis, at January 1, 2017, the CEO's compensation included an annual base salary equal to approximately one-third of the annual base salary of the full-time members of the Management Group, or \$39,332, participation in Flex-pay, and a monthly auto allowance of \$750. In aggregate, the compensation received by the Management Group is considered below market compensation for a management team with similar responsibilities in similar companies facing similar circumstances.

The objective of the compensation plan is to directly link compensation expense for the Management Group to the financial performance of the Corporation. Flex-pay is determined by calculating, at each month end, the Corporation's year-to-date free cash flow¹ and, if the result is positive, 40% of the free cash flow is added to the aggregate compensation to be paid to the Management Group. If applicable, Flex-pay was to be first distributed to the full-time members of the Management Group up to an aggregate of \$60,000 with any excess above \$60,000 distributed equally amongst all members including the CEO. Aggregate compensation (base salary plus Flex-pay) for the Management Group could not exceed \$1,000,000. During 2017, Flex-pay totalling \$110,382 was distributed to the members of the Management Group. The Management Group receives no compensation as members of the Board. There were no stock options issued during the year ended December 31, 2017.

There are no restrictions on the ability of the Named Executive Officers or Directors to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Named Executive Officers or Directors.

¹Free cash flow is calculated by subtracting debt service requirements plus \$5,000 for each month from the earnings before interest and depreciation.

Summary Compensation Table

The following table sets forth for the years ended December 31, 2017, 2016 and 2015 information concerning the compensation paid to the Named Executive Officers.

Name and principal position	Year	Base Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽³⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dan J. Stearne ⁽¹⁾ President and CEO	2017	51,927	-	-	-	-	-	9,000	60,927
	2016	39,332	-	-	-	-	-	2,250	41,582
	2015	41,471	-	-	-	-	-	1,125	42,596
W. Garth Wilson ⁽¹⁾⁽²⁾ CFO	2017	151,596	-	-	-	-	-	20,050	171,646
	2016	120,000	-	-	-	-	-	13,300	133,300
	2015	126,250	-	-	-	-	-	12,635	138,885
Tracy L. Dobson ⁽¹⁾ VP, Operations	2017	152,596	-	-	-	-	-	20,050	172,646
	2016	120,000	-	-	-	-	-	13,300	133,300
	2015	126,250	-	-	-	-	-	12,635	138,885
Daniel O'Greysik ⁽¹⁾ VP, Sales & Marketing	2017	152,596	-	-	-	-	-	20,050	172,646
	2016	120,000	-	-	-	-	-	13,300	133,300
	2015	126,250	-	-	-	-	-	12,635	138,885

Notes:

- (1) The members of the Management Group wholly own a corporation (the "Controlling Shareholder") that holds approximately 69% of the outstanding Common Shares. In addition to the compensation paid to each of the members of the Management Group as set out in the above table, the Corporation pays a fee of \$1,000 per month to the Controlling Shareholder. During the year ended December 31, 2017, total fees paid to the Management Group were \$12,000 (2016 - \$12,000, 2015 - \$12,000).
- (2) Mr. Wilson ceased to be a full-time employee of the Corporation on August 1, 2018. Mr. Wilson continues to act as CFO of the Corporation on a part-time basis. As of the effective date of Mr. Wilson's transition from full-time to part-time employment status his annual compensation was adjusted downwards so that he is now receiving an annual salary of \$42,800.
- (3) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year. The amounts reflected under "All other compensation" reflect contributions by the Corporation on behalf of the Named Executive Officers (other than the CEO) to a group Registered Retirement Savings Plan, plus the payment of a monthly auto allowance as described above.

Incentive Plan Awards

Pursuant to TSX Venture Exchange ("TSXV" or the "Exchange") Policy 4.4 (the "Option Policy") the Corporation is permitted to maintain a "rolling" stock option plan (the "Stock Option Plan") reserving a maximum of 10% of the issued and outstanding common shares of the Corporation (the "Common Shares") for issuance pursuant to stock options. In accordance with the Option Policy, rolling option plans must receive shareholder approval yearly at the Corporation's annual meeting.

Shareholders of the Corporation will therefore be asked at the next meeting of shareholders of the Corporation to consider and, if thought advisable, to ratify and approve the existing Stock Option Plan. The Stock Option Plan was initially approved by the shareholders of the Corporation on June 20, 2005. The Corporation currently has 400,000 outstanding options to purchase Common Shares (the "Options"), at a weighted average exercise price of \$0.10 per share.

The Stock Option Plan provides for the granting of Options to purchase Common Shares of the Corporation to directors, officers, employees and consultants of the Corporation or any of its subsidiaries. The Stock Option Plan is administered by the Board, or a committee of the Board appointed from time to time for such purpose. Options may be granted at the discretion of the Board or a committee thereof, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan. The number of Common Shares issuable upon exercise of the Options granted under the Stock Option Plan is not more than 10% of the number of Common Shares that are issued and outstanding. The total number of Options to be granted to any one optionee in a twelve month

period may not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis) at the date of the grant of the Option. The aggregate issuance of Common Shares to "Insiders" (as such term is defined in the Stock Option Plan) pursuant to the Stock Option Plan within a one year period may not exceed 10% of the outstanding Common Shares (on a non-diluted basis).

The exercise price of Options granted under the Stock Option Plan will be fixed by the Board, provided that such exercise price may not be less than the market price, currently being the closing price of the Common Shares on the TSXV on the day preceding the date of grant of the Common Shares, or such other prices as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange. The Options granted under the Stock Option Plan generally will vest over a period of two years and will expire after ten years.

The foregoing summary is subject to the specific provisions of the Stock Option Plan. There are presently 400,000 Options outstanding under the Stock Option Plan.

Outstanding Share-Based Awards and Option-based Awards

The following table sets forth for each Named Executive Officer all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2017.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dan J. Stearne	100,000	\$0.10	Oct.24, 2022	\$10,000	-	-
W. Garth Wilson	100,000	\$0.10	Oct.24, 2022	\$10,000	-	-
Tracy Dobson	100,000	\$0.10	Oct.24, 2022	\$10,000	-	-
Daniel O'Greysik	100,000	\$0.10	Oct.24, 2022	\$10,000	-	-

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2017 and the exercise price of the options. The closing market price at December 31, 2017 was \$0.20.

Incentive Plan Awards – Value Vested or Earned During the Year

There were no option-based awards which vested during the year ended December 31, 2017. The Corporation has not granted any share-based awards or awarded any non-equity incentive plan compensation to its Named Executive Officers.

Pension Plan Benefits

The Corporation has no pension plan but does make contributions to a group Registered Retirement Savings Plan on behalf of its employees including the Corporation's Named Executive Officers.

Termination and Change of Control Benefits

As at December 31, 2017, the Corporation had identical employment agreements with each full-time member of the Management Group which establishes salary, benefits and other general employment provisions. The employment agreements also provide a right to be paid a severance amount, in the event of termination of employment by the Corporation for any reason other than just cause, equal to one and one-half times the aggregate of the base salary plus any flex-pay paid in the previous twelve months prior to the termination date plus the value of the Corporation's contributions to any benefit plans for the prior twelve months prior to the termination date. If Mr. Wilson, Mr.

O'Greysik or Ms. Dobson had been terminated as at December 31, 2017, the amount payable to each would have been \$275,532, \$274,184 or \$263,594, respectively.

In addition, under the terms of the Option Plan, the vesting of all unvested Options shall be accelerated upon the making of a take-over bid as defined in the *Securities Act* (Alberta) (which is not exempt from the take-over bid requirements of the *Securities Act* (Alberta)) for the Common Shares. As at December 31, 2017 each Named Executive Officer held no unvested Options and as a result if a take-over bid was made on December 31, 2017 the value of the accelerated unvested Options would be \$0 per Named Executive Officer.

Director Compensation

Each independent director is paid a fee of \$500 per meeting. The non-independent directors do not receive any compensation for serving as directors. The Corporation reimburses all directors for any expenses incurred with respect to attendance at meetings of the Board or committees thereof.

Independent directors are entitled to participate in, and may receive Options under, the Option Plan. As at December 31, 2017, independent directors did not hold any outstanding Options.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2017, information concerning the compensation paid to directors other than directors who were also Named Executive Officers.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Nicole L. Maruzzo	1,000	-	-	-	-	-	1,000
Michael J. Martin	1,000	-	-	-	-	-	1,000

Notes:

- (1) Ms. Maruzzo and Mr. Martin were appointed as directors of the Corporation on June 23, 2017 and re-elected on November 24, 2017.

Directors' Outstanding Option-Based Awards and Share-Based Awards

There were no option-based awards or share-based awards outstanding at December 31, 2017 for any current or former directors of the Corporation other than directors who were also Named Executive Officers.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The Corporation does not have any share based awards outstanding. No option based or non-equity incentive plan compensation was earned during the year ended December 31, 2017 by any of the directors who were not also Named Executive Officers.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2017.

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	400,000	\$0.10	40,514
Equity compensation plans not approved by securityholders	-	-	-
Total	400,000	\$0.10	40,514