

**CENTAURUS ENERGY INC.**  
**(the “Corporation” or “Centaurus”)**

**FORM 51-102F6V**  
**STATEMENT OF EXECUTIVE COMPENSATION - VENTURE ISSUERS**

**(Year Ended December 31, 2022)**

The following information, dated as of May 1, 2022, is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, for the financial year ended December 31, 2022.

**1. GENERAL**

The purpose of the following is to provide information about the Corporation’s philosophy, objectives and processes regarding compensation of the Corporation’s directors and for the following executive officers of the Corporation (referred to herein as “**Named Executive Officers**”):

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation 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 Form 51-102F6V, for that financial year;
- (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 Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officer of the Corporation during the last completed fiscal year of the Corporation commencing January 1, 2021 and ending on December 31, 2022 (“**Fiscal 2022**”) was David Tawil, Chief Executive Officer and Interim Chief Financial Officer. Steven (Shlomo) Azarbad, who was the Interim Chief Financial Officer, until he resigned on July 6, 2022, was also a Named Executive Officers during Fiscal 2022. There were no other Named Executive Officers during the financial year ended December 31, 2022.

During Fiscal 2022, David Tawil, Steven Balsam, William Schubin and Steven Azarbad served as directors of the Corporation. Steven Azarbad resigned as a director on July 6, 2022, pursuant to which, William Schubin was appointed as director. David Tawil, Steven Balsam and William Schubin are the current directors of the Corporation.

The description of the Corporation’s compensation philosophy and objectives and the elements of such compensation during Fiscal 2022 are set forth below.

## 2. DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### 2.1 Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities

The following table sets forth information concerning the total compensation (other than the compensation disclosed in Item 2.3 hereof) paid during Fiscal 2022 to all persons who were Named Executive Officers or directors during the past two fiscal years.

Name and principal position <sup>(1)</sup>	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(6)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
David Tawil <sup>(1)</sup> Chief Executive Officer, Interim Chief Financial Officer and Director	2022	200,000	Nil	Nil	Nil	Nil	Nil	Nil	200,000
	2021	175,000	Nil	Nil	Nil	Nil	Nil	Nil	175,000
Steven Balsam Director	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Schubin <sup>(2)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Steven Azarbad <sup>(3)</sup> Director	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) David Tawil was appointed the Interim Chief Executive Officer on March 24, 2020 and was appointed the Interim Chief Financial Officer on August 13, 2021. Mr. Tawil is engaged pursuant to a consulting agreement dated August 24, 2022, which provides for an increasing annual amount beginning at \$150,000 in 2020 and rising to \$225,000 in 2024. The agreement is for a term through December 31, 2024. The agreement may be terminated by the Company upon 30 days' written notice at any time upon payment of 12 months of fees, or for a material breach by Mr. Tawil of the terms of the agreement, in which case Mr. Tawil would be entitled to receipt of any unpaid fees only. The agreement may be terminated by Mr. Tawil upon at least 30 days' prior written notice to the Corporation, in which case Mr. Tawil would be entitled to payment of unpaid fees only.
- (2) William Schubin was appointed as director of the Corporation on July 6, 2022.
- (3) Steven (Shlomo) Azarbad was appointed the Interim Chief Financials Officer on March 24, 2020 and resigned as Interim Chief Financial Officer on August 13, 2021 and as director on July 6, 2022. Mr. Azarbad served at the pleasure of the Corporation without an employment agreement and without compensation.

### 2.2 Stock Options and Other Compensation Securities

The Corporation issued no stock options or other compensation securities during Fiscal 2022.

No stock options or other compensation securities were exercised during Fiscal 2022.

### 2.3 Stock Option Plans and Other Incentive Plans

Centaurus has adopted the Option Plan pursuant to which Options may be granted to its directors, officers, employees, consultants and other service providers (collectively, "**Centaurus Service Providers**").

The purpose of the Option Plan is to develop the interest of Centaurus Service Providers in the growth and development of the Corporation by providing them the opportunity through Options to acquire an increased proprietary interest in the Corporation. Options granted pursuant to the Option Plan have a term not exceeding five years and vest in such manner as determined by the Board.

The total number of Common Shares reserved for issuance pursuant to the Options granted and outstanding under the Option Plan at any time shall not exceed a number of Common Shares equal to 10% of the aggregate number of issued and outstanding Common Shares.

Options are not transferable or assignable except in accordance with the Option Plan and the holding of Options shall not entitle the holder to any rights as a security holder.

Pursuant to option agreements entered into in respect of outstanding Options, on a change of control of the Corporation (as defined therein), the vesting of Options granted thereunder are accelerated. Based on the closing price of the Common Shares at December 31, 2022 (\$0.03 per Common Share), no Options held by the Named Executive Officers at December 31, 2022 were vested and “in-the-money” at such date. In addition, in the event of certain events such as a liquidation or dissolution of the Corporation or a reorganization, plan of arrangement or consolidation of the Corporation with one or more entities as a result of which the Corporation is not the surviving entity, the Board of Directors may exercise its discretion to permit accelerated vesting of Options on such terms as the Board sees fit and, in the event of an acceleration of vesting, to cause the Options to terminate after the end of the period of accelerated vesting, even if such termination is prior to the end of the normal exercise period.

The Option Plan also provides for: (i) termination of all unvested Options upon termination of a Centaurus Service Provider for any other reason, other than death, and termination of all vested Options at the earlier of dates ranging from thirty (30) days to ninety (90) days (depending on the particular stock option agreement entered into with the Centaurus Service Provider) from the date of cessation as a Centaurus Service Provider or the end of the applicable exercise period; and (ii) in the case of death, the Centaurus Service Provider is entitled to exercise those Options which such person was entitled to exercise on the date of the death ranging from within the earlier of ninety (90) days from the date of death and the end of the exercise period, or up to one year after the date of death of the Centaurus Service Provider and the end of the exercise period, if earlier (depending on the particular stock option agreement entered into with the Centaurus Service Provider). Except as set forth above, the Option Plan allows for the Board to amend or discontinue the Option Plan at any time, provided that no such amendment may, without the consent of optionee, alter or impair any Option previously granted to an optionee under the Option Plan and provided further that any amendment to the Option Plan is subject to prior approval of the TSXV, if required, and approval of the Shareholders of Centaurus, if required.

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

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## **2.5 Oversight and Description of Directors and Named Executive Officers Compensation**

### *Compensation of Named Executive Officers:*

The Board of Directors sets the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Senior executive officers are motivated through the program to enhance long-term shareholder value.

Compensation provided to Named Executive Officers consists of two principal components: salary (including potential bonuses) and stock options granted under the Corporation’s stock option plan, described below. In addition

to base salary, the Board of Directors may from time to time pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance. Currently, compensation is not tied to any performance criteria or goals. Pursuant to the Corporation's stock option plan, the Board of Directors, at its discretion, determines all grants of stock options to Named Executive Officers and Directors. Such grants are considered incentives intended to align the Named Executive Officers', Directors' and Shareholders' interests in the long term.

*Compensation of Directors:*

As at December 31, 2022, the directors of the Corporation are entitled to receive: (i) an annual retainer of \$25,000 payable to the independent directors of the Corporation; (ii) an annual retainer of \$50,000 payable to the Chairman of the Board; (iii) an additional annual retainer of \$5,000 payable to each of the Chairmen of the Compensation Committee and Reserves Committee; (iv) an additional annual retainer of \$10,000 payable to the Chairman of the Audit Committee; and (v) an additional \$1,000 for every committee and Board meeting attended by an independent director in person or by conference call.

The Corporation has in place a travel policy to compensate directors for the time and effort required to travel in their role as a director of the Corporation, including attending Board and committee meetings and site visits to the Corporation's operations (the "**Travel Policy**"). The Travel Policy includes a per diem fee of \$1,000 (equivalent to a market-typical meeting fee) for travel times exceeding four hours, with all travel claims approved by the Chair of the Audit Committee or the Chair of the Compensation Committee.

Directors were reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the Corporation's non-management directors also participated in the Corporation's stock option plan.

**2.6 Pension Disclosure**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.