

FORM 51-102F6V
Statement of Executive Compensation
(Venture Issuer)

The following disclosure relates to compensation paid by Impact Development Group Inc. (the “Company”) during the financial year ended December 31, 2024 of the Company.

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of (a) the Chief Executive Officer, (b) the Chief Financial Officer, (c) the most highly compensated executive officer of the Company at the end of the most recently completed financial year of the Company whose total compensation was more than \$150,000, and (d) each individual who would fit the description under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company and was not acting in a similar capacity, at the end of that financial year (collectively the “Named Executive Officers” or “NEO”) and for the directors of the Company.

During the year ended December 31, 2024, the Company had two Named Executive Officers: Thomas Wenz (Chief Executive Officer, Chairman and Director of the Company) and Swapan Kakumanu (Chief Financial Officer of the Company).

During the year ended December 31, 2023, the Company had three Named Executive Officers: Thomas Wenz (Chief Executive Officer, Chairman and Director of the Company), Swapan Kakumanu (Chief Financial Officer of the Company) and Jason Smart (Former Chief Executive Officer, Chief Financial Officer and director of the Company).

All dollar amounts referenced herein are in US dollars unless otherwise specified.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years of the Company to the Named Executive Officers and the directors of the Company.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Thomas Wenz ⁽¹⁾ <i>Chief Executive Officer, Chairman and Director</i>	2024	250,000	Nil	Nil	Nil	Nil	250,000
	2023	20,834	Nil	Nil	Nil	Nil	20,834
Swapan Kakumanu ⁽²⁾ <i>Chief Financial Officer</i>	2024	72,000	Nil	Nil	Nil	Nil	72,000
	2023	12,000	Nil	Nil	Nil	Nil	12,000
Sophie Galper-Komet ⁽³⁾ <i>Director</i>	2024	5,267	Nil	Nil	Nil	Nil	5,267
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Oscar Hilt Tatum ⁽⁴⁾ <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Joshua Lebovic ⁽⁵⁾ <i>Director</i>	2024	5,267	Nil	Nil	Nil	Nil	5,267
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Raymond David Harari ⁽⁶⁾ <i>Former Director</i>	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Jason Smart ⁽⁷⁾ <i>Former Chief Executive Officer, Former Chief Financial Officer and Former Director</i>	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Brian Morales ⁽⁸⁾ <i>Former Director</i>	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Edward Yew ⁽⁹⁾ <i>Former Director</i>	2024	N/A	N/A	N/A	N/A	N/A	N/A
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Thomas Wenz was appointed as CEO and a director of the Company on November 30, 2023. Thomas Wenz received \$250,000 for his position as the CEO and no compensation for his role as director. Thomas Wenz was appointed as Chairman of the Company on April 29, 2024.

(2) Swapan Kakumanu was appointed as CFO on November 30, 2023.

(3) Sophie Galper-Komet was appointed to the Board (as hereinafter defined) on November 30, 2023.

(4) Oscar Hilt Tatum was appointed to the Board on November 30, 2023 and as Chairman of the Company on November 30, 2023. Oscar Hilt Tatum resigned from his position as Chairman of the Company on April 29, 2024.

(5) Joshua Lebovic was appointed to the Board on November 30, 2023.

(6) Raymond David Harari was a director of the Company from November 30, 2023 until December 28, 2023.

(7) Jason Smart was the CEO, CFO & a director of the Company from January 8, 2021 until November 30, 2023.

(8) Brian Morales was a director of the Company from January 8, 2021 until November 30, 2023.

(9) Edward Yew was a director of the Company from January 8, 2021 until November 30, 2023.

Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities during the Company's most recently completed fiscal year ended December 31, 2024. The total amount of compensation securities, and underlying securities, held on December 31, 2024 by named executive officers and directors is as follows: 155,423 RSUs by Swapan Kakumanu, 38,856 RSUs by Sophie Galper-Komet, and 38,856 RSUs by Joshua Lebovic.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised or redeemed any compensation securities during the Company's most recently completed fiscal year ended December 31, 2024.

Stock Option Plans and Other Incentive Plans

Pursuant to the Company's omnibus equity incentive plan (the "**Equity Incentive Plan**"), all participants are eligible to receive Awards including stock options ("**Options**") and restricted share units ("**RSUs**"; together with Options, "**Awards**"). A copy of the Equity Incentive Plan is attached as Schedule "A" to the Company's management information circular dated July 15, 2024 which is available on the Company's SEDAR+ profile at www.sedarplus.ca.

Purpose of the Equity Incentive Plan

The purpose of the Equity Incentive Plan is to advance the interests of the Company through the motivation, attraction and retention of key employees, consultants and directors of the Company and designated affiliates of the Company and to secure for the Company and shareholders of the Company ("**Shareholders**") the benefits inherent in the ownership of the Company's common shares ("**Shares**")

by key employees, consultants and directors of the Company and the designated affiliates of the Company through the granting of non-transferable Awards to eligible participants under the Equity Incentive Plan.

The Equity Incentive Plan is administered by the board of directors of the Company (the “**Board**”) or, if applicable, a committee of the Board.

Equity Incentive Plan Maximum and Limits

The maximum number of securities reserved for issue pursuant to the Equity Incentive Plan shall be determined from time to time by Board or a committee of the Board but, in any case, shall not exceed, in the aggregate, 10% of the number of Shares then outstanding; provided that the maximum number of Shares reserved for issuance, in the aggregate, pursuant to the Awards granted under Equity Incentive Plan, at any point in time, shall be equal to 10% of the number of Shares then outstanding, unless disinterested shareholder approval is obtained.

The maximum number of Shares reserved for issue pursuant to Awards granted under the Equity Incentive Plan to participants who are insiders of the Company in any 12-month period shall not exceed 10% of the number of Shares then outstanding, unless disinterested shareholder approval is obtained.

The maximum number of Shares reserved for issue under Awards granted to any one participant in any 12-month period shall not exceed 5% of the number of Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the TSX Venture Exchange (the “**TSXV**”).

The maximum number of Shares reserved for issue under Awards granted to any one Other Participant (as defined in the Equity Incentive Plan) in any 12-month period shall not exceed 2% of the number of Shares then outstanding.

The maximum number of Shares reserved for issue under Options granted to all Eligible Employees (as defined in the Equity Incentive Plan) and to all Other Participants (as defined in the Equity Incentive Plan) conducting Investor Relations Activities (as defined in the Equity Incentive Plan) in any 12-month period shall not exceed, in the aggregate, 2% of the number of Shares then outstanding. Options granted to Eligible Employees or Other Participants performing Investor Relations Activities shall vest in stages over a 12-month period, with no more than 25% of the Options vesting in any threemonth period. The Board shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all participants performing Investor Relations Activities. No acceleration of the vesting provisions of Options granted to persons retained to provide Investor Relations Activities is allowed without the prior acceptance of the TSXV.

Adjustments

Subject to the approval of the TSXV with respect to any share capital adjustments other than a consolidation or split, in the event there is any change in the Shares, whether by a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Board or a committee of the Board in:

- (a) The number of Shares available under the Equity Incentive Plan;
- (b) The number of Shares subject to any Award;
- (c) The exercise price of the Shares subject to Awards; and
- (d) The number of Shares or cash payment to which the participant is entitled upon exercise or settlement of such Award.

Any fractional Shares resulting from an adjustment shall be disregarded.

Amendments

Any amendments to the Equity Incentive Plan shall be subject to the receipt of required regulatory approvals, including without limitation, the TSXV.

The Board or a committee of the Board may make amendments to the Equity Incentive Plan without Shareholder approval in certain circumstances. These include, but are not limited to, the following:

- (a) amendments to the Equity Incentive Plan that are of a “house-keeping nature” including, amending the wording of any provision for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the plan that is inconsistent with any other provision of the Equity Incentive Plan, correcting grammatical or typographical errors and amending the definitions;
- (b) amendments to comply with the rules, policies, instruments and notices of any regulatory authority to which the Company is subject, including TSXV policies or to otherwise comply with any applicable law or regulation;
- (c) other than changes to the expiration date and the exercise price of any Award as described in the Equity Incentive Plan, any amendment, with the consent of the participant, to the terms of any Award previously granted to such participant under the Equity Incentive Plan; and
- (d) any amendment respecting the administration or implementation of the Equity Incentive Plan.

The following amendments to the Equity Incentive Plan will require Shareholder approval, including if required by the TSXV, disinterested shareholder approval: (a) any change to the number of Shares issuable from treasury under Equity Incentive Plan; (b) any amendment to the provisions concerning the effect of the termination of a participant’s position, employment or services on such participant’s status under the Equity Incentive Plan; (c) any amendment to the categories of persons who are participants; (d) any amendment which reduces the exercise price of any Award, other than an adjustment pursuant to Section 6.07 of the Equity Incentive Plan; (e) any amendment which extends the expiry date of an Award; (f) any amendment which cancels any Award and replaces such Award with an Award which has a lower exercise price or other entitlement, with certain exceptions; and (g) any amendments to the amendment provision of the Equity Incentive Plan.

Options

The exercise price for each Option shall be established in the discretion of the Board; provided, however, that the exercise price per Share shall not be less than the closing price of the Shares on the TSXV on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the TSXV. Disinterested shareholder approval shall be required for any reduction in the exercise price of any Option if the optionee is an insider of the Company at the time of the proposed amendment to the exercise price.

The term of each Option shall be fixed by the Board but shall not exceed 10 years from the date of grant thereof, subject to certain limited exceptions. Notwithstanding the foregoing, should the expiration date for an Option fall within a Blackout Period (as defined in the Equity Incentive Plan), such expiration date shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of the Blackout Period.

Restricted Share Units

The Board may grant RSUs under the Equity Incentive Plan, which is an Award that is a bonus for services rendered in the year of grant, that, upon settlement entitles the recipient participant to receive a cash payment equal to the market value of a Share, or at the sole discretion of the Board or a committee of the Board, a Share, in accordance with the participant's RSU agreement.

No monetary payment is required for receipt of RSUs, or the Shares issued in settlement of the award, the consideration for which is furnished in the form of the participant's services to the Company. The Board may grant RSUs subject to the attainment of one or more performance goals, or may make the awards subject to vesting conditions. All RSUs are subject to a minimum one year vesting schedule. RSUs may not be transferred by the participant. RSUs may be settled in cash, Shares or any combination of these. No RSU may be settled later than December 15th of the third calendar year following the end of the calendar year in respect of which such RSU is granted.

Shareholder Approval

The Equity Incentive Plan was first approved by the Company's Shareholders on June 21, 2023 and re-approved on August 20, 2024. The Company's Shareholders are required to re-approve the Equity Incentive Plan by November 20, 2025.

Employment, Consulting and Management Agreements

In the financial year ended December 31, 2024, management functions of the Company were not, to any substantial degree, performed other than by directors or NEOs of the Company. There were no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities in the most recently completed financial year.

Oversight and Description of Director and Named Executive Officer Compensation

The Board conducts reviews with regard to the compensation of the directors and NEOs of the Company.

Elements of Compensation

The Company's compensation arrangements for its directors and officers, may, in addition to salary, include compensation in the form of bonuses upon the achievement of certain milestones and the granting of Awards. The compensation policy of the Company may be re-evaluated in the future to emphasize increased base salaries and/or cash bonuses with a reduced reliance on Awards, depending upon the future development of the Company and other factors which may be considered relevant by the Board, from time to time.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Company's success, the position and responsibilities of such NEO and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Equity-Based Compensation

Shareholders approved the Equity Incentive Plan which enables the Company and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Company, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash- based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Shareholders.

Directors are entitled to receive Awards in accordance with the terms of the Equity Incentive Plan and will be reimbursed for any out-of-pocket travel expenses incurred to attend meetings of the Board, committees of the Board or meetings of the Shareholders. The Company also has customary insurance for the benefit of its directors.

Performance Bonuses

Annual bonuses may be awarded based on qualitative and quantitative performance standards and will reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in the Company's industry and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Compensation and Measurement of Performance

When determining compensation policies and individual compensation levels for the Company's executive officers, a variety of factors are considered including: the overall financial and operating performance of the Company; each executive officer's individual performance and contribution towards meeting corporate objectives; each executive officer's level of responsibility and length of service; and industry comparables. The Board seeks to ensure that, at all times, its compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director or officer of the Company.

The Board does not use fixed criteria in determining the mix of compensation and instead determines compensation based on a contextual analysis of the Company. While the Board does not have a formally established peer group in determining compensation, the Board will on occasion reference other comparable publicly traded Canadian companies to align its compensation practices with market practice while taking into account the financial and other resources of the Company.

The Company's compensation philosophy for its executive officers will follow three underlying principles: to provide compensation packages that encourage and motivate performance; to be competitive with other companies in the industry in which it operates, which are of similar size and scope of operations, so as to attract and retain talented executives; and to align the interests of its executive officers with the long-term interests of the Company and its Shareholders through stock related programs.