

EGUANA TECHNOLOGIES INC.

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

The following information pertaining to Eguana Technologies Inc. (the "**Corporation**") is presented pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (the "**Statement**") for the Corporation's financial year ended September 30, 2021.

GENERAL

"**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 Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**named executive officer**" or "**NEO**" means each of the following individuals:

- (a) each individual who, in respect of the Corporation, 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 named executive officer 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; and

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS

Based on the definition of NEO, during the Corporation's financial year ended September 30, 2021, the Corporation had three (3) named executive officers: (i) Justin Holland, CEO; (ii) Sonja Kuehnle, CFO and (iii) Brent Harris, Executive Vice-President ("EVP").

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer and director of the Corporation 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 a director of the Corporation for services provided and for services to be provided, directly or indirectly, to the Company, for each of the Corporation's two (2) most recent completed financial years.

The Corporation does not have any share-based award plans, non-equity long-term incentive plans, or any defined benefit or defined contribution pension plans for its NEOs.

Name and position	Fiscal Year Ended September 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Justin Holland CEO and Director ¹	2021	278,000	Nil	Nil	Nil	277,830
	2020	278,000	Nil	Nil	Nil	277,830
Brent Harris EVP	2021	190,000	Nil	Nil	4,903	194,903
	2020	190,000	Nil	Nil	4,980	194,980
Sonja Kuehnle CFO	2021	161,359	Nil	Nil	4,982	166,341
	2020	155,000	Nil	Nil	3,023	158,023
Michael Carten President, Director ²	2021	Nil	Nil	28,500	Nil	28,500
	2020	Nil	Nil	29,000	Nil	29,000
George Powlick Director	2021	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil
Graeme Stening ³ Director	2021	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil
Gregory Nelson ⁴ Director	2021	Nil	Nil	20,584	Nil	20,584
	2020	Nil	Nil	27,500	Nil	27,500
Karen Hayward ⁵ Director	2021	Nil	Nil	4,415	Nil	4,415
	2020	Nil	Nil	Nil	Nil	Nil
Robert Penner Director	2021	Nil	Nil	38,500	Nil	38,500
	2020	Nil	Nil	39,000	Nil	39,000

- (1) All compensation paid to Justin Holland has been in respect of his position as an executive officer of the Corporation and is paid to J. Holland Consulting and has been included in the table above.
- (2) On August 18, 2015, Mr. Carten resigned as the President and CEO of the Corporation. During fiscal 2014 and 2015, Mr. Carten's compensation was \$300,000 per year, of which 50% was deferred pending certain contingencies including a change of control of the Corporation, profitability, insolvency of the Corporation or termination of his employment contract. During fiscal 2015, the contract of employment was terminated with effect on September 30, 2015 which was two years in advance of the contractual term. Under the termination agreement, Mr. Carten agreed to accept payment of the deferred compensation plus statutory vacation pay in respect thereof plus \$300,000 in compensation due in respect of the last two (2) years of his contract over a period of 82 months. For the purposes of this Circular, \$300,000 payable in respect of 2016 and 2017 and statutory vacation on deferred compensation during 2014 and 2015 is treated as compensation for the 2015 fiscal year of which \$157,380 was paid in 2021. For further detail please refer to "Employment, Consulting and Management Agreements".
- (3) Mr. Stening was appointed Director effective July 28, 2022
- (4) Mr. Nelson resigned as Director effective July 28, 2022
- (5) Ms. Hayward was appointed Director effective July 28, 2022
- (6) The Corporation did not pay any perquisites to the directors or NEOs during fiscal 2020 and 2021.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table sets forth all compensation securities granted or issued to each NEO or director by the Corporation in the most recent financial year. The Corporation does not have any share-based award plans for its NEOs. Each stock option can be exercised into one common share.

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
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

During the fiscal year ended September 30, 2021, no compensation securities have been re-priced, cancelled and replaced, had their terms extended, or otherwise been materially modified, in the most recently completed financial year.

As at September 30, 2021, Mr. Holland held a total of 2,115,264 incentive stock options (each, an "Option"); Mr. Harris held a total of 1,288,811 Options; Ms. Kuehnle held a total of 375,000 Options; Mr. Carten held a total of 538,651 Options; Mr. Powlick held a total of 89,203 Options; Mr. Stening held no Options; Ms. Hayward held no Options and Mr. Penner held a total of 179,412 Options. As at September 30, 2021, 2,538,334 Options granted to such persons were fully vested and exercisable, 1,656,341 Options were vested but not exercisable due to the performance indicator described below not being met, and 391,666 Options were unvested.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOs

No director or NEO exercised any compensation securities during the most recently completed financial year.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Board established the Option Plan whereby the Corporation may grant Options to purchase Common Shares to the directors, officers, employees, and consultants of the Corporation. Options generally vest in three tranches, the first tranche in one year's time, the second tranche in two year's time and the third tranche in three years' time. The Option Plan allows for a maximum term of ten years on any Option issued. The Option Plan is fixed and therefore at September 30, 2021, the Corporation, at the discretion of the Board, may issue up to a maximum of 36,708,000 Options. The Option Plan was last approved by the shareholders of the Corporation on September 16, 2021. The minimum price at which the Options may be granted is the Discounted Market Price (as defined by the TSXV Corporate Finance Manual) on the date of issue.

Options issued in June 2013, October 2014 and March 2015 are only exercisable following two consecutive quarters of positive earnings before interest, taxes, depreciation and amortization. Management has estimated that as at September 30, 2021, 2,857,316 Options are not exercisable as the performance indicator has not been achieved and there is uncertainty as to when it will be achieved, resulting in no stock-based compensation being recognized.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

CONSULTING AGREEMENT – J. HOLLAND CONSULTING

The Corporation entered into a consulting agreement with J. Holland Consulting for Mr. Holland to render his services as the CEO of the Corporation for an annual consulting fee of \$150,000 effective November 15, 2010. Effective November 21, 2016, the consulting agreement was amended to increase the annual consulting fees to \$252,000. The agreement allows for a bonus of 30% of the consulting fee an annual increase of 5% to be paid subject to approval from the Board. The consulting agreement remained in place following Mr. Holland's appointment as CEO in August 2015 and is currently in effect.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Except as specifically described below in respect of Mr. Carten, the Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a NEOs responsibilities.

Effective September 1, 2009, the Corporation and Michael Carten entered into an employment contract, as amended from time to time, which was to expire on December 31, 2017. Under his employment contract, Mr. Carten was entitled to a salary of \$300,000 per year plus normal benefits, the payment of 1/2 of which were deferred subject to the Corporation reaching certain earnings thresholds, a change of control or Mr. Carten's termination. On August 17, 2015, Mr. Carten's employment contract was terminated and he became entitled to the deferred salary and benefits which by agreement became payable at the rate of \$13,115 per month over 82 months, subject to becoming due immediately in the event of a change in control or the Corporation achieving an average of \$1,000,000 in earnings before interest, taxes, depreciation and amortization for any two consecutive fiscal quarters.

DIRECTOR COMPENSATION

The Corporation paid independent directors an annual retainer of \$25,000 plus \$500 for each meeting of the Board or committee of the Board attended by the director during the fiscal year ended September 30, 2021. Mr. Penner receives \$10,000 per year for holding the position of Audit Committee Chair. In addition, the directors were reimbursed for expenses incurred in carrying out their duties as directors.

During the year ended September 30, 2021, Mr. Powlick and Mr. Stening did not receive any retainer as a director, due to policies of Doughty Hanson Technology Ventures.

Other than the Plan, the Corporation does not have share-based award plans, non-equity incentive plans or pension plans for its directors.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

NEO COMPENSATION GOVERNANCE

Objectives and Philosophy of the Compensation Program

The overall compensation program is intended to attract and retain competent, committed individuals who will ensure the long-term success of the Corporation by rewarding performance and contributions to the achievement of corporate goals and objectives. The Corporation strives to maintain alignment between the interests of shareholders with those of executives and key employees. To this end, salaries for the CEO and certain of the key employees, have been held significantly below market, and employees and executives have been awarded stock options, allowing the Corporation to offer a competitive compensation package and encouraging investment in the Corporation.

Criteria for Compensation

The compensation policy is based largely upon the market value of the type of job the individual performs, the experience, skills, knowledge and responsibilities of the individual and their level of individual performance.

Elements of Compensation and Determination of Amounts for each Element

The Corporation strives to provide a competitive compensation package, with a direct link to corporate performance, by emphasizing the components of cash and stock options to motivate highly qualified personnel. To this end, the Corporation compensates its executive officers through base salary and the award of Options to acquire common shares under the Plan, all at levels which the Corporation believes are reasonable in light of the performance of the Corporation under the leadership of the executive officers.

Base Salary

Base salary is intended to compensate core competencies in the executive role relative to skills, level of responsibility, industry experience, individual performance and contribution to the growth of the Corporation. Base salary provides fixed compensation determined by reference to competitive market information. Salaries of certain executive officers have historically been kept significantly below those of the industry and general marketplace because a greater emphasis is placed on Options in order to better align the interests of executives with those of shareholders. Base salaries for executive officers are reviewed by the Board to ensure they are appropriate so as to protect the ability of the Corporation to hire and retain key personnel.

Options

Long-term equity-based incentive compensation through the granting of Options is an important element of the compensation policy because it rewards long-term performance by allowing executive officers and employees to participate in the long-term market appreciation of the common shares and the overall growth of the Corporation. The Board believes that the granting of Options is required for the Corporation to be competitive from a total remuneration standpoint and to encourage retention. The granting of Options also promotes the alignment of interests of shareholders and executives.

With respect to the granting of Options, the Board reviews the recommendation of the CEO regarding Option awards. The CEO bases his decision upon the seniority, level of responsibility and the contribution of each individual toward the Corporation's goals and objectives. Consideration is also given to the overall number of Options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of Options.

As at September 30, 2021, the maximum number of shares issuable upon exercise of the outstanding Options was 12,191,678. Additionally, 2,857,316 Options had vested but were not exercisable because the performance indicator described above had not been met and 1,363,322 were unvested. Pursuant to the terms of the Plan, the Board has the discretion to determine the fixed term of the Options, which shall not exceed ten years, and vesting provisions of the Options at the time of granting, including earlier termination provisions for the stock options. The Board shall have the discretion to amend the date upon which Options will terminate on a case by case basis.

Benefits

The NEOs are eligible to participate in the same benefits as offered to all full-time employees. The Corporation does not view these benefits as a significant element of its compensation structure but does

believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

Assessment of Compensation

The compensation of the CEO is determined by the Board and the compensation for all other executive officers is determined by the Board after consideration of the recommendations of the CEO.

The Corporation recognizes that past and future success of the Corporation relies on its people and strives to foster compensation packages that promote the attraction, retention and development of quality personnel. Although salaries have historically been significantly below market, total compensation of executive officers is targeted to be competitive against similarly sized companies within the industry.

DIRECTOR COMPENSATION

Director compensation is determined through review of market rates that other directors are being paid on boards of similar types of companies of similar size. The Chairman of the Board provides final approval.

PENSION PLAN BENEFITS

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.