

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 December 31, 2023.

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.

"**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 December 31, 2023, the Corporation had five (5) named executive officers: (i) Justin Holland, Chief Executive Officer ("CEO"); (ii) Hansine Ullberg, Chief Financial Officer ("CFO"); (iii) Brent Harris, Executive Vice-President ("EVP"); (iv) Daljit Ghotra, Chief Technology Officer ("CTO"); and (v) Sonja Kuehnle, Past Chief Financial Officer ("Past CFO").

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.

Other than the Corporation's existing stock option plan, established by the board of directors (the "Option Plan"), 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.

For the Compensation Table, the financial year ended December 31, 2022 included 15 months, as the Corporation changed its year-end from September 30 to December 31, with December 31, 2022 being the first new year end date.

Compensation excluding compensation securities⁸						
Name and position	Financial Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Justin Holland CEO and Director ¹	December 31, 2023	277,000	Nil	Nil	66,000	343,000
	December 31, 2022	347,000	Nil	Nil	88,700	435,700
Brent Harris EVP	December 31, 2023	191,400	Nil	Nil	1,400	192,800
	December 31, 2022	237,500	Nil	Nil	6,300	243,800
Hansine Ullberg ² CFO	December 31, 2023	136,900	Nil	Nil	900	137,800
	December 31, 2022	Nil	Nil	Nil	Nil	Nil
Daljit Ghotra CTO	December 31, 2023	138,300	Nil	Nil	1,300	139,600
	December 31, 2022	171,300	Nil	Nil	6,300	177,600
Michael Carten Director	December 31, 2023	Nil	Nil	30,000	Nil	30,000
	December 31, 2022	Nil	Nil	37,250	Nil	37,250
George Powlick Director	December 31, 2023	Nil	Nil	30,000	Nil	30,000
	December 31, 2022	Nil	Nil	37,250	Nil	37,250
Graeme Stening ³ Director	December 31, 2023	Nil	Nil	Nil	Nil	Nil
	December 31, 2022	Nil	Nil	Nil	Nil	Nil
Karen Hayward Director	December 31, 2023	Nil	Nil	28,500	Nil	28,500
	December 31, 2022	Nil	Nil	40,165	Nil	40,165
Robert Penner ⁴ Director	December 31, 2023	Nil	Nil	40,000	Nil	40,000
	December 31, 2022	Nil	Nil	49,750	Nil	49,750
Sonja Kuehnle ⁵ Past CFO	December 31, 2023	99,900	Nil	Nil	500	99,900
	December 31, 2022	218,800	Nil	Nil	6,300	225,100

- (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/or 2565009 Alberta Inc. and has been included in the table above.
- (2) Mrs. Ullberg started May 23, 2023.
- (3) Mr. Stening resigned as Director effective December 5, 2023.
- (4) Mr. Penner resigned as Director effective November 1, 2023.
- (5) Mrs. Kuehnle resigned as CFO effective May 8, 2023, and the compensation table includes only amounts up to that date. After that date, Ms. Kuehnle was paid consulting fees for various finance support, paid to her professional corporation, up to September 30, 2023.
- (6) The Corporation did not pay any perquisites to the directors or NEOs during financial 2022 or 2023.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following tables set forth all compensation securities granted or issued to, or exercised by, each NEO or director by the Corporation in the most recent financial year. Other than the Option Plan, the Corporation does not have any share-based award plans for its NEOs. Each stock option of the Corporation (each, an "Option" and collectively, "Options") can be exercised into one common share of the Corporation (each, a "Common Share" and collectively, "Common Shares").

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
Justin Holland CEO and Director	Stock Options	Nil	-	-	-	\$0.11	-
Brent Harris EVP	Stock Options	Nil	-	-	-	\$0.11	-
Hansine Ullberg CFO	Stock Options	250,000	May 23, 2023	\$0.17	\$0.17	\$0.03	May 23, 2033
Daljit Ghotra CTO	Stock Options	Nil	-	-	-	\$0.11	-
Michael Carten Director	Stock Options	Nil	-	-	-	\$0.11	-
George Powlick Director	Stock Options	Nil	-	-	-	\$0.11	-
Karen Hayward Director	Stock Options	Nil	-	-	-	\$0.11	-
Robert Penner Director	Stock Options	Nil	-	-	-	\$0.11	-
Sonja Kuehne ¹ Past CFO	Stock Options	Nil	-	-	-	\$0.11	-

(1) Mrs. Kuehnle stock options remained outstanding under her consulting contract, up to September 30, 2023, and any vesting options at that time, remained up to the expiry date of September 30, 2024.

Exercise Compensation Securities							
Name and position	Type of compensation security	Number of of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date
NA	Stock Options	Nil	NA	NA	NA	NA	nil

On December 31, 2023, the following total amount of compensation securities were held by each NEO and director.

Name and position	Number of Stock Options Issued Number of Stock Options Vested
Justin Holland CEO and Director	3,032,764 2,632,564
Brent Harris EVP	2,233,319 1,833,119
Hansine Ullberg CFO	250,000 Nil
Daljit Ghotra CTO	1,733,764 1,333,564
Michael Carten Director	458,471 408,446
George Powlick Director	206,203 156,178
Karen Hayward Director	175,000 124,975
Graeme Stening Past Director	-
Robert Penner Past Director	296,412 296,412
Sonja Kuehnle Past CFO	1,575,000 775,000
Total Vested	9,960,933 7,560,258

During the financial year ended December 31, 2023, 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.

The Options normally vest one third per year, on the first, second and third annual anniversary, after the grant date, with a ten-year term. There are no other restrictions or conditions for converting, exercising or exchanging the Options.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The board of directors of the Corporation (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 the Corporation, at the discretion of the Board, may issue up to a maximum of 36,708,000 Options. The maximum number of Common Shares reserved for issuance under 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.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

CONSULTING AGREEMENT – J. HOLLAND CONSULTING

The Corporation entered into a consulting agreement with J. Holland Consulting, effective November 15, 2010, for Mr. Holland to render services to the Corporation for an annual consulting fee of \$150,000. In August 2015, he was appointed as CEO of the Corporation and the consulting agreement remained in place following Mr. Holland's appointment as CEO and is currently in effect. The agreement allows for an annual increase of 5% on the consulting fees and an annual bonus of 30%, subject to approval from the Board. Various compensation reviews have occurred, and the annual consulting fee was increased, in most cases annually. Mr. Holland does not receive any employee benefits or other compensation, except housing.

CONSULTING AGREEMENT – S. KUEHNLE CONSULTING LTD.

The Corporation entered into a consulting agreement with S. Kuehnle Consulting Ltd., effective May 9, 2023, for Ms. Kuehnle to render accounting support to the Corporation for a monthly fee of \$3,000. This contract was terminated September 30, 2023.

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 financial quarters. The final payment was made on June 3, 2022.

DIRECTOR COMPENSATION

The Corporation paid director compensation only to independent directors. Mr. Stening did not receive any fees as a director. The fees included an annual retainer, plus committee fees for any director acting as chair of the committee, plus meeting fees for any meeting of the Board or a committee of the Board, which was attended by the director, during the year ended December 31, 2023. The annual retainer was \$25,000 per year per director. The annual retainer for the Audit and Governance Committee Chair was \$10,000 per year. An annual retainer for Compensation Committee Chair was not in effect during the year ended December 31, 2023. The meeting fees was \$500 per meeting until the end of third quarter 2023, and the meeting fee was reduced to \$250 per meeting. Mr. Penner and Mr. Powlick were paid annual retainers as Audit and Governance Committee Chair, prorated for the partial years they served in those positions. Directors were paid throughout the year, usually quarterly. In addition, the directors were reimbursed for specific expenses incurred in carrying out their duties as directors, such as travel.

Other than the Option 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 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 Option 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.

Pursuant to the terms of the Option 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 Options. The Board shall have the discretion to amend the date upon which Options vest or expire, on a case-by-case basis.

As at December 31, 2023, the total number of Common Shares issuable upon exercise of the outstanding vested options was 15,391,292.

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 Company's Compensation Committee of the Board of Directors reviews the compensation program and the salaries, benefits and options, for NEOs and directors, at least annually. The Compensation Committee reviews and recommends the compensation for the CEO, with overall approval from the Board of Directors. The CEO reviews and approves the compensation for the other NEOs, except for newly hired executive personnel.

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 Chair of the Board provides final approval.

PENSION DISCLOSURE

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.