

PROSTAR HOLDINGS INC.
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Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION

Introduction

The following information is provided pursuant to Form 51-102F6V for “venture issuers”, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* to provide information about ProStar Holdings Inc.'s (the "**Company**") executive compensation in respect of the financial year ended December 31, 2021. All amounts are in United States Dollars (“USD”) unless otherwise stated.

For the purpose of this Form, a "**Named Executive Officer**" or "**NEO**" means (i) each individual who, during any part of the financial year ended December 31, 2021, served as the Company's Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**"), (ii) the Company's most highly compensated executive officer (other than the CEO and the CFO), as at December 31, 2021 whose total compensation was, individually, more than \$150,000 for that financial year; and (iii) each individual who would have satisfied the criteria in (ii) but for the fact that such individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of such financial year.

For the financial year ending December 31, 2021, the Company had the following Named Executive Officers: Page Tucker, CEO and Jonathan Richards, CFO and Secretary.

Director and NEO Compensation, Excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company, current or former, for the completed financial years ended December 31, 2021 and 2020. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Prerequisites (\$)	Value of All Other Compensation⁽¹⁾ (\$)	Total Compensation (\$)
Page Tucker ⁽²⁾⁽³⁾ <i>CEO and Director</i>	2021	254,167	50,000	Nil	Nil	Nil	304,167
	2020	1,288	127,690	Nil	Nil	188,452	317,430
Jonathan Richards ⁽²⁾⁽³⁾ <i>CFO, Secretary and Director</i>	2021	92,500 ⁽⁴⁾	25,000	Nil	Nil	Nil	117,500
	2020	635 ⁽⁴⁾	Nil	Nil	Nil	74,389	75,024
Vasanthan Sivagnanadasan ⁽³⁾ <i>COO and Director</i>	2021	262,500	25,000	Nil	Nil	Nil	287,500
	2020	1,717	63,845	Nil	Nil	74,389	139,951

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Prerequisites (\$)	Value of All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
Herbert McKim ⁽³⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	74,389	74,389
Paul McKenzie <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	74,389	74,389

Notes:

- (1) The value of the option-based awards was determined using the Black-Scholes option-pricing model and the compensation is based on the vesting of such awards.
- (2) Messrs Tucker and Richards receive all their compensation as NEOs of the Company only.
- (3) Compensation for the financial year ended December 31, 2020 reflects compensation paid from December 29 to December 31, 2020 as such individuals were appointed to their respective positions on December 29, 2020 upon completion of the merger transaction between the Company and ProStar Geocorp, Inc. ("**Former ProStar**") and Doxa Merger Corp., which transaction constituted the reverse takeover of the Company by Former ProStar pursuant to Policy 5.2 – *Change of Business and Reverse Takeovers* of the TSX Venture Exchange (the "**TSXV**")
- (4) Represents compensation paid to Red Fern Consulting Ltd., a company controlled by Mr. Richards, See "*External Management Companies*" and "*Employment, Consulting and Management Agreements*" below.

External Management Companies

Other than as described below, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Jonathan Richards controls Red Fern Consulting Ltd. ("**Red Fern**"), a private company which provides accounting and consulting services to public companies. Red Fern currently has an informal arrangement (the "**Red Fern Arrangement**") with the Company whereby Red Fern is reimbursed for bookkeeping, accounting and CFO activities based on the hours required to perform the necessary services. Red Fern currently charges the Company an average of US\$10,000 per month.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2021, no stock options were granted or issued to Named Executive Officers or Directors by the Company or any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

During the financial year ended December 31, 2021, none of the Named Executive Officers or Directors exercised any stock options.

Stock Option Plan and Other Incentive Plans

The Company does not grant share-based awards. Directors, officers, employees and consultants are eligible under the "rolling" stock option plan of the Company (the "**Option Plan**") to receive grants of stock options ("**Options**").

On December 12, 2018, the Company's shareholders approved the Option Plan. The Option Plan was further renewed by the Company's shareholders on December 17, 2020. The Option Plan allows for

the reservation of a maximum of 10% of the Company's issued and outstanding common shares (the "Shares") at the time of the stock option grant. As at the date of this Statement of Executive Compensation, the Company had 9,175,000 Options outstanding under the Option Plan.

The purpose of the Option Plan is to attract and motivate directors, officers and employees of and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the Options.

Under the policies of the TSXV, Options granted under a "rolling plan" are not required to have a vesting period, although the directors of the Company may continue to grant Options with vesting periods, as the circumstances require. The Option Plan authorizes the Company's board of directors to grant Options to its directors, officers, employees and consultants on the following terms:

- a) The number of Shares subject to each Option is determined by the board of directors, provided that the Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12-month period, result in:
 - a. the number of Shares reserved for issuance pursuant to Options granted to any one person exceeding 5% of the issued Shares;
 - b. the issuance, within a one-year period, to insiders of the Company of a number of Shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; or to all employees (as defined by the policies of the TSXV) who provide investor relations services of a number exceeding 2% of the issued Shares, and all Options issued to such optionees must vest in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the options vesting in any three (3) month period.
- b) The aggregate number of Shares which may be issued pursuant to Options granted under the Option Plan, may not exceed 10% of the issued and outstanding Shares as at the date of the grant.
- c) The exercise price of an Option may not be set at less than the closing market price during the trading day immediately preceding the date of grant of the Option less a maximum discount of 25% if the Company is listed on Tier 2 of the TSXV or without any allowable discount if the Company is listed on Tier 1 of the TSXV or on the Toronto Stock Exchange.
- d) The Options may be exercisable for a period of up to five years.
- e) The Options are non-assignable, except in certain circumstances. The Options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Option Plan or within a period of not more than 90 days (30 days for providers of investor relations services) after ceasing to be an eligible optionee or, if the optionee dies, within one year from the date of the optionee's death.
- f) On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any option becomes exercisable.

The Option Plan must be approved yearly by the Shareholders in order to re-set the number of shares that can be granted under the Option Plan.

Employment, Consulting and Management Agreements

Except for the Red Fern Arrangement, the Company has not provided compensation to any of its directors or Named Executive Officers during the most recently completed financial year for services performed by a director or Named Executive Officer pursuant to any written agreement. All compensation paid to its directors and Named Executive Officers (which is disclosed above), if any, is and will be paid pursuant to unwritten arrangements that do not provide for any other payments, other than base salary.

Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEOs as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives and ensure compensation is competitive so as to enable the Company to continue to attract talented individuals.

The Compensation Committee, a committee of the Board, is responsible for establishing management compensation. The Board, and the Compensation Committee thereof, do not have a pre-determined, performance-based compensation plan, but rather review the performance of management at the end of each fiscal year. The Compensation Committee, as at the date of this Information Circular, was comprised of the following directors: Paul McKenzie, Jonathan Richards and Herbert McKim. Messrs McKenzie and McKim are independent of the management of the Company.

Compensation being awarded or paid to the Company's directors and NEOs consists primarily of management fees or salary, stock options and bonuses. Payments may be made from time to time to NEOs, or companies they control, for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers. In addition, the Board and the Compensation Committee may award bonuses, in its sole discretion, to NEOs from time to time.

In assessing the compensation of its directors and NEOs, the Compensation Committee currently does not have in place any formal objectives, criteria or analysis. The Compensation Committee has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any NEO is dependent. NEOs' performance is reviewed in light of the Company's objectives from time to time and such officers' compensation is also compared to that of executive officers of companies of similar size and stage of development in the SaaS industry and other similar industries.

Pension Disclosure

The Company does not currently provide any pension plan benefits for executive officers, directors, or employees.