

Please note that the table entitled “SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS” in the Statement of Executive Compensation filed on SEDAR on May 22, 2024 was not correctly updated for 2023. A revised table updated for 2023 is included in this revised SEDAR filing.

We also note minor typographical errors and omissions have been corrected in the section entitled BOARD OF DIRECTORS’ COMPENSATION.

There have been no other changes to the Statement of Executive Compensation filed on SEDAR on May 22, 2024 and the information contained in the Management Information Circular filed on SEDAR on May 28, 2024.

# TERAGO INC.

## STATEMENT OF EXECUTIVE COMPENSATION

This statement of executive compensation for TERAGO Inc. (“TERAGO” or, the “Company”) dated as of May 17, 2024, is presented in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* and Form 51-102F6 – *Statement of Executive Compensation*.

This statement of executive compensation will be included in the Company’s management information circular to be mailed to its shareholders in connection with the Annual and Special Meeting of shareholders to be held on June 25, 2024. Unless otherwise indicated, all references to “\$” or “dollars” in this statement of executive compensation refers to Canadian dollars.

### 1. Compensation Discussion and Analysis

The following discussion described the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to the Named Executive Officers of the Company. The Named Executive Officers are:

- Daniel Vucinic, President and Chief Executive Officer
- Philip Jones, Chief Financial Officer
- Osman Mohamednur, Vice President, Engineering & Operations
- Fadi Joseph, Vice President, Sales & Marketing

(collectively, the “**Named Executive Officers**” or “**NEOs**”).

#### *Compensation Philosophy*

The Company is a dynamic organization which has recently made strategic acquisitions and has transitioned the Company into a multi-product IT services company focused on securely managing its customers’ data flow. It currently provides businesses across Canada with network connectivity services. The level of talent required to drive the business and to carry out its strategy while competing with large, well-established organizations and brands can be challenging to develop and/or recruit. The Compensation Committee of the Board (the “**Compensation Committee**”) and the Board view the recruitment and retention of top industry talent as a key corporate priority in the seamless operation and performance of the Company. In order to accomplish its goals and to ensure that the compensation program is consistent with its direction, strategy, stated mission and goals, the Company is committed to a “pay for performance” culture. The Compensation Committee, the Board and management place significant emphasis on the impact of its executive compensation and total rewards program.

The executive compensation and total rewards program is intended to:

- provide competitive compensation vehicles that are consistent with the Company’s business plan, strategy, financial objectives and operating performance;
- attract highly qualified individuals necessary to expand the business;
- retain and motivate executives to achieve higher levels of performance and be appropriately rewarded for that effort;
- emphasize a “pay-for-performance” variable incentive structure that rewards individual, team and corporate performance, while supporting company goals, with a view toward increasing Shareholder value; and
- align the interests of shareholders and executives.

The Company is committed to growing, developing and enriching the careers of the top talent within the Company. In addition, it is widely recognized that the success of the organization internally and in the marketplace is driven by

the success and leadership of the executive team. As such, there is considerable time, energy and focus committed to the talent and succession review and planning process. While each executive is assessed on their own personal contributions, the accomplishments of the executive group as a team is viewed with great importance as it drives the business, culture and shareholder value.

The Compensation Committee's decisions about executive compensation policies and practices are made within the context of the Company's goals and strategies. To this end, the Compensation Committee's mandate is to oversee management in the attraction and retention of talented and highly motivated people that will excel in a fast-paced and challenging environment.

#### *Compensation Committee*

The Compensation Committee provides oversight of overall compensation philosophy, policies, practices and programs. The Compensation Committee works closely with management as well as external compensation consulting firms from time to time to ensure they are knowledgeable regarding the most current market data and trends. The Compensation Committee makes recommendations to the Board concerning the level, nature and mix of compensation payable to the executive officers of the Company. This review includes the Chief Executive Officer and the other NEOs. The Compensation Committee also makes recommendations to the Board concerning annual incentive levels, executive prerequisites, short-term incentives and long-term incentives, as well as compensation for the directors.

The Committee currently consists of Martin Pinnes (Chair), Kenneth Campbell and Frederick W. Hrenchuk, each of whom is "independent" within the meaning of the corporate governance disclosure rules adopted by the Canadian Securities Administrators. The Board as a whole reviews the recommendations of the Compensation Committee and gives final approval on compensation matters for the Company's executive officers, as well as on major policy changes related to remuneration.

The Board is of the view that the members of the Committee collectively have the relevant skills and experience necessary to enable the Committee to make decisions as to the suitability of the Company's compensation policies and practices. All committee members have a thorough understanding of policies, principles, and governance related to human resources and executive compensation, and the necessary financial acumen to apply to the evaluation of executive compensation programs. They have acquired this knowledge through direct experience in existing and prior roles that is relevant to their responsibilities in executive compensation. This ensures a strong overlap and broader perspective related to the organization's financial results, risk profile, and compensation outcomes. For more information on the occupations, skills, experience, and independence of each Committee member, please refer to each director's biographical information contained in this Management Information Circular.

#### *Input from Management*

The Compensation Committee also meets with the Chief Executive Officer and other members of management and will consider management recommendations regarding:

- Executive compensation, including base salary, target bonus, long-term incentives and prerequisites;
- Short-term incentive design and metrics;
- Long-term incentive performance metrics; and
- Review of corporate and individual performance achievement.

#### *Risk Assessment and Oversight*

The Company has conducted an assessment of its compensation programs, policies and practices for its executives relative to risk and whether they create a reasonable likelihood of a material adverse effect on the Company. Based on this assessment, which also considered the control environment and approval processes in place, the Compensation Committee has not identified any risks arising from the Company's compensation policies and practices that would be likely or would reasonably cause a material adverse effect on the Company. The Compensation Committee believes that the Company's executive compensation program encourages the taking of risks that are reasonable, appropriate and properly managed, while not encouraging management to take unreasonable risks relating to the Company's business. Executives are not rewarded for taking excessive or inappropriate risks or those which would have a material adverse effect on the Company for the following reasons: (i) the total compensation package consists of both base (fixed) and variable compensation; (ii) the performance metrics for variable compensation include key strategic objectives for the Company, including revenue, net monthly recurring revenue, end of year cash position and Adjusted

EBITDA; (iii) the option based awards, restricted share units and performance-based restricted share units are subject to three-year vesting periods, reducing incentives on the part of executives to any imprudent short-term risks; and (iv) the Company has strict internal financial controls.

## **2. Components of Executive Compensation**

The mix of the Company's executive compensation and total rewards structure include:

- base salary;
- performance-based annual incentive;
- long-term incentive plans; and
- executive benefits and perquisites.

In determining the appropriate mix of pay for each NEO, the Compensation Committee considers the most recent benchmarking data available, as well as the experience, skills, qualifications, ability, future potential, retention risk and overall performance of each individual. The Compensation Committee's due diligence in determining the pay mix includes thorough analysis of various scenarios and the impact on each pay lever.

### *Base Salary*

Annual base salaries for the NEOs are established at levels which are designed to be competitive within the Canadian marketplace. Base salaries are determined following an internal assessment and external review. Internally, the executive officer's individual performance, experience, scope and responsibility, as well as impact of position with the Company is assessed. Externally, a market benchmarking review is undertaken periodically, which considers comparable companies.

On an annual basis, the Compensation Committee reviews and makes recommendations to the Board concerning the base salaries payable to the NEOs.

### *Annual Incentives*

Annual incentives provide the executive with the opportunity to earn cash incentives based on the achievement of pre-established performance goals approved annually by the Board. The allocation of annual incentives to the executive officers is determined annually by the Board based on recommendations from the Compensation Committee.

The following table outlines the minimum, target and maximum annual incentive for each NEO in 2023, as a percentage of the executive’s base salary:

NEO Name	Minimum Annual Incentive (% of salary)	Target Annual Incentive (% of salary)	Maximum Annual Incentive (% of salary)
DANIEL VUCINIC <sup>(1)</sup> ..... <i>President &amp; Chief Executive Officer</i>	40%	75%	75%
PHILIP JONES <sup>(2)</sup> ..... <i>Former Chief Financial Officer</i>	0%	40%	49.1%
OSMAN MOHAMEDNUR..... <i>Vice President, Engineering &amp; Operations</i>	0%	40%	49.1%
FADI JOSEPH <sup>(3)</sup> ..... <i>Vice President, Sales &amp; Marketing</i>	0%	0% <sup>(3)</sup>	0% <sup>(3)</sup>
<b>Former Officers</b>			
MATTHEW GERBER <sup>(4)</sup> ..... <i>Former President &amp; Chief Executive Officer</i>	0%	40%	49.1%
JIM ABRAMS <sup>(5)</sup> ..... <i>Former Interim Vice President, Sales &amp; Marketing</i>	0%	0% <sup>(5)</sup>	n/a <sup>(5)</sup>
BLAKE WETZEL <sup>(6)</sup> ..... <i>Former Chief Revenue Officer &amp; Chief Operating Officer</i>	0%	52.5%	n/a <sup>(6)</sup>

**Notes:**

- (1) Mr. Vucinic was appointed President and Chief Executive Officer of the Company, effective June 12, 2023.
- (2) Mr. Jones resigned his position with the Company as Chief Financial Officer, effective December 31, 2023.
- (3) Mr. Joseph joined the Company November 3, 2023, and was appointed as Vice President, Sales and Marketing on November 20, 2023. His incentive plan was not effective until January 1, 2024.
- (4) Mr. Gerber ceased to be President and Chief Executive Officer of the Company, effective June 12, 2023.
- (5) Mr. Wetzel resigned from his position with the Company on March 16, 2023. A portion of Mr. Wetzel’s annual incentive was based on the achievement against sales-related targets of the Company and was not subject to a maximum.
- (6) Mr. Abrams ceased to be Interim Vice President, Sales & Marketing, effective October 31, 2023. Mr. Abrams’ variable compensation was based only on achievement of sales-related targets of the Company and was not subject to a maximum.

The annual incentive plan includes corporate performance metrics against which all executives are measured. In addition, and in alignment with the “pay for performance” culture, each NEO has measurable and individual performance goals, specific to their functional area of responsibility. In accordance with the terms of the Company’s 2023 Annual Incentive Program for NEOs, if a corporate performance measure is achieved, 100% of the target award value for that measure is paid to the executive. A stretch payment for achievement above a particular metric may also be payable for certain metrics.

Each year, the Board determines the performance measures to be used for awarding annual cash incentives and the various weightings to be applied to those criteria. Corporate performance measures and weightings for the 2023 Annual Incentive Program for NEOs consisted of:

Metric	Target	Weight
Revenue	\$29,255,000	25%
Adjusted EBITDA	\$3,963,000	25%
Net Monthly Recurring Revenue (MRR)	\$196,000	25%
Provisioning	\$550,000	25%

The following conditions apply to payouts under the 2023 Annual Incentive Program:

- Each corporate target is independent of each other;
- Certain individual objective achievement can be up to 120%; and
- Overall corporate objective achievement can stretch up to a maximum of 133.33%.

The Compensation Committee reviews the actual financial and operational results against the previously approved annual targets to determine the recommended annual incentive payments. In 2023, the corporate performance achievement for eligible NEOs was 48% of target. Certain of the performance metrics and targets are based on non-IFRS financial measures such as “Adjusted EBITDA”, “Net MRR” and “Provisioning” which do not have a standard meaning and may not be a reliable way of comparison as against other companies. The Company calculates certain of these performance metrics and targets either from financial figures disclosed in its 2023 Financial Statements and MD&A or through internally tracked financial figures. Non-IFRS financial measures such as “Adjusted EBITDA” are identified in the MD&A and are reconciled back to IFRS financial figures.

#### *Long Term Incentive Plans*

The Compensation Committee believes that long term incentive awards should comprise a large portion of the total compensation package for executive officers, which is consistent with market practice and the corporate executive compensation and total reward philosophy. Ultimately, the goal of this component of the compensation mix is to:

- **Attract and retain high performing executives** - Long-term incentives should be competitive, have upside potential and be regarded by participants as being fair and appropriate.
- **Alignment with Shareholders** - Long-term incentives need to reward value creation that will benefit shareholders.
- **Focus and Motivate** - Long-term incentives should reward for performance with a focus on continuous improvement. The program should drive and increase executive engagement.

The Company utilizes both its Share Option Plan and its RSU Plan as long-term incentive vehicles for executive officers. The Compensation Committee makes option, RSU and PSU grant recommendations to the Board based on the above noted goals. Such grants are expected to be made in the future on a periodic basis, at the discretion of the Compensation Committee and based on performance in connection with the review of an executive officer’s compensation package. Grants under these long-term incentive plans may also be made upon hire or promotion and as special recognition for extraordinary performance.

#### Share Option Plan

As part of the Company’s long-term incentive program, the Company has adopted the Share Option Plan, pursuant to which the Board of Directors may in its discretion grant stock options (“Options”) from time to time to employees, directors and officers of the Company. Options are intended to retain and motivate recipients, provide them an opportunity to acquire an increased share interest in the Company, and ultimately align their long-term interests with those of shareholders and the Company’s objectives.

The Share Option Plan is administered by the Board of Directors. Options are not transferable. If a participant’s employment is terminated without cause, all vested options may be exercised within the shorter of 30 days or the balance of the option’s term, and any unvested options will be cancelled. If a participant voluntarily resigns from their employment, all vested options may be exercised within the shorter of 30 days or the balance of the option’s term, and any unvested options will be cancelled. If a participant’s employment is terminated for cause, all options, vested and unvested, will be immediately cancelled.

The exercise price of any Option granted under the Share Option Plan is the closing price per share of a board lot of Common Shares traded through the TSX on the grant date (“market price”). Unless otherwise determined by the Board of Directors, options will expire ten years after the date of grant, and will generally vest over three years in equal tranches on each anniversary date following the grant date. In lieu of paying the exercise price, an optionholder may elect to exercise their Options and acquire such number of Common Shares on a “cashless basis”, determined by subtracting the exercise price from the market price of the Common Shares as of the date of exercise, multiplying the

difference by the number of Common Shares in respect of which the Option was otherwise being exercised and then dividing that product by the market price of the Common Shares as of the date of exercise.

All options under the Share Option Plan will vest immediately on a change of control of the Company. Any option granted under the Share Option Plan that expires or is cancelled without having been fully exercised may be subject to a future Option grant. If any Option expires during or within 10 days after the last day of a black-out period during which the policy of the Company prevents a holder from trading in the Common Shares, then the expiry date for such options will be extended to the last day of such 10-day period. The fair value attributable to each Option on the grant date is determined under the Black-Scholes option pricing model using various assumptions on expected life of the Option, the current risk-free rate, the expected dividend yield and volatility attributed to the underlying Common Shares.

The Share Option Plan currently provides for a limit on the participation of “insiders” (as defined under TSX rules) such that the number of Common Shares: i) issued to insiders within any one-year period, and ii) issuable to insiders at any time under the Share Option Plan, or when combined with all of the Company’s other security based compensation arrangements (including the RSU Plan and Directors’ Share Compensation Program), cannot exceed 10% of the Company’s total issued and outstanding Common Shares, respectively.

Under the Share Option Plan, the Board may, without shareholder approval:

- (a) make non-material and/or minor amendments to the terms of the Plan that are of a “housekeeping nature”;
- (b) change the vesting terms of the Options; or
- (c) suspend the Plan in whole or in part and may at any time terminate the Plan.

Other amendments to the Share Option Plan will be subject to receipt of shareholder approval, including in the case of: (i) any amendment to the Share Option Plan’s amendment provision itself; (ii) any increase in the maximum number of Common Shares reserved and issuable under the Plan; (iii) any reduction in the exercise price to below market price at the time of grant, or to reduce the exercise price of an Option after grant; (iv) the extension of the expiry date of an Option; (v) an amendment to remove or to exceed the Insider Participation Limit; or (vi) any matters or amendment that may require shareholder approval under applicable laws or TSX rules.

### RSU Plan

The RSU Plan was established to retain and motivate employees and officers of the Company and to promote a greater alignment of interests between these individuals and the shareholders of the Company. As part of the Company’s long-term incentive program, the RSU Plan gives the Company flexibility in delivering a mix of executive compensation and total rewards. See “Components of Executive Compensation” for additional information.

Both restricted share units (“**RSUs**”) and performance share units (“**PSUs**”) (each referred to as a “**Unit**”) may be granted under the RSU Plan. The fair value attributable to each Unit on the grant date is the closing price of each Common Share on date of grant as quoted on the TSX. RSUs generally vest based on time and a holder of RSUs will generally not be entitled to receive Common Shares and/or a cash payment until the holder has held the corresponding RSUs for a specified period of time. PSUs on the other hand generally vest based on both time and achievement of certain performance metrics over a performance period as determined by the Board. The achievement against such metrics will affect the aggregate number of Units that ultimately vest for the holder and would be a fraction of the original number of Units granted for any underachievement, or a multiple of the original number of Units granted for an overachievement.

RSUs and PSUs generally have a maximum vesting period of three years and, unless stipulated otherwise under agreement with the holder or employee, will vest if there has been continuous employment by an employee until the vesting date. RSUs and PSUs are granted to eligible employees and officers based on individual performance, potential and market competitiveness.

Vested RSUs and PSUs entitled participants to receive upon settlement, at the discretion of the Company: (i) cash equal to the market value of the equivalent number of Common Shares, (ii) Common Shares delivered to the holder through the purchase of such Common Shares on the open market, (iii) Common Shares delivered to the holder through

the issuance of Common Shares from treasury, or (iv) a combination of any of the foregoing. “Market value” on a particular date is defined in the RSU Plan as the arithmetic average of the closing price of the Common Shares traded on the TSX for the five trading days on which a board lot was traded immediately preceding such date.

There is an acceleration of vesting of RSUs and PSUs in the event of a change of control transaction involving the Company.

At the Company’s annual and special meeting of shareholders held on June 20, 2019, shareholders approved a resolution to amend the RSU Plan to reserve and set aside for issuance under the plan, an aggregate of 300,000 Common Shares to allow for the treasury issuance of Common Shares to settle vested RSUs and PSUs (the “**RSU Plan Reserve**”).

There is no maximum as to the number of Units issuable to a participant of the Plan within any one-year period nor a maximum issuable to a participant at any time. In 2023, the Board did not approve a grant for any RSU’s or PSU’s. Any compensation under the Long Term Incentive Plan was fulfilled with the issue of stock options. As of the Record Date, an aggregate of 15,342 RSUs and 16,956 PSUs have been granted and are outstanding, representing approximately 0.16% of the issued and outstanding Common Shares. 167,667 Common Shares remain in the RSU Plan Reserve.

Under the RSU Plan, the Board may, without shareholder approval:

- (a) make non-material and/or minor amendments to the terms of the Plan that are of a “housekeeping nature”;
- (b) make amendments to the terms of any RSU or PSU granted under the Plan, including with respect to the vesting terms and vesting period, performance metrics (if any) associated with such Units, and the effect of termination of a participant’s employment with the Company;
- (c) accelerate vesting of any Units; or
- (d) suspend the Plan in whole or in part and may at any time terminate the Plan.

Other amendments to the RSU Plan will be subject to receipt of shareholder approval, including in the case of: (i) any amendment to the RSU Plan’s amendment provision itself; (ii) any increase in the maximum number of Shares in the RSU Plan Reserve; or (iii) any matters or amendments that may require shareholder approval under applicable law or TSX rules.

The rights and benefits under the RSU Plan are neither assignable nor transferrable.

#### *Benefits and Perquisites*

The Company offers group life, health and dental insurance, disability insurance, vacation and other benefits to the NEOs and other executives. These benefits are competitive while containing costs. Additionally, the organization currently provides a limited number of perquisites in the form of car allowance and club memberships to certain NEOs.

### 3. Summary Compensation Table

The following table sets out information concerning the compensation earned from the Company by the NEOs during the financial years ended December 31, 2023, 2022 and 2021.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup> (\$)	Long-Term Incentive Plans (\$)		
DANIEL VUCINIC <sup>(5)</sup> ..... <i>President and Chief Executive Officer</i>	2023	172,686	-	783,232	125,000	-	-	1,080,918
PHILIP JONES <sup>(6)</sup> ..... <i>Former Chief Financial Officer</i>	2023	285,000	-	123,958	20,178	-	-	429,136
	2022	190,000	-	74,113	49,535	-	-	313,648
OSMAN MOHAMEDNUR... <i>Vice President, Engineering &amp; Operations</i>	2023	240,000	-	104,386	16,992	-	-	361,378
	2022	216,015	-	62,023	50,025	-	-	328,063
	2021	159,166	40,425	10,336	11,039	-	-	220,966
FADI JOSEPH <sup>(7)</sup> ..... <i>Vice President, Sales &amp; Marketing</i>	2023	25,949	-	36,133	-	-	-	62,082
<b>Former Officers</b>								
MATTHEW GERBER <sup>(8)</sup> ....	2023	243,872 <sup>(11)</sup>	-	360,707	-	-	1,018,233 <sup>(8)(11)</sup>	1,622,812
	2022	480,812 <sup>(11)</sup>	-	318,794	123,038 <sup>(11)</sup>	-	89,364 <sup>(11)</sup>	1,013,808
	2021	362,555 <sup>(11)</sup>	211,050	92,144	4,130 <sup>(11)</sup>	-	4,445 <sup>(11)</sup>	674,324
JIM ABRAMS <sup>(9)</sup> .....	2023	268,910 <sup>(11)</sup>	-	-	-	-	107,246 <sup>(9)(11)</sup>	376,156
	2022	230,248 <sup>(11)</sup>	-	-	122,753 <sup>(11)</sup>	-	-	353,001
	2021	173,401 <sup>(11)</sup>	14,423	13,306	94,939 <sup>(11)</sup>	-	-	296,069
BLAKE WETZEL <sup>(10)</sup> .....	2023	95,592 <sup>(11)</sup>	-	177,088	-	-	85,536 <sup>(11)</sup>	358,216
	2022	413,092 <sup>(11)</sup>	-	156,510	165,267 <sup>(11)</sup>	-	-	734,869
	2021	382,318 <sup>(11)</sup>	103,103	105,851	134,022 <sup>(11)</sup>	-	-	725,294

#### Notes:

- (1) The amounts represent the fair value on the grant date of RSUs and/or PSUs awarded pursuant to the RSU Plan. The fair value on the grant date of each PSU or RSU granted is based on the closing price of the Common Shares on the TSX on the grant date. The vesting of PSUs is dependent upon the achievement of established performance conditions set out by the Board of Directors.
- (2) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility in accordance with International Financial Reporting Standards.
- (3) The only non-equity annual incentive plan is described under the heading "Components of Executive Compensation – Annual Incentives". The 2023 cash payments for the Annual Incentives were paid out to the applicable executives in the first quarter of 2024.
- (4) None of the NEOs have been provided perquisites, including property or other benefits that are not generally available to all employees that in aggregate are worth \$50,000 or more, or are worth 10% or more of a NEO's total salary for the financial year.
- (5) Mr. Vucinic was appointed President and Chief Executive Officer effective June 12, 2023.
- (6) Mr. Jones resigned from his position with the Company as Chief Financial Officer, effective December 31, 2023.
- (7) Mr. Joseph joined the Company on November 3, 2023, and was appointed as Vice President, Sales & Marketing on November 20, 2023.
- (8) Mr. Gerber ceased to be President and Chief Executive Officer of the Company, effective June 12, 2023. Mr. Gerber received a cash termination payment of \$1,018,233 which was paid within the year ended December 31, 2023.
- (9) Mr. Abrams ceased to be Interim Vice President, Sales & Marketing, effective October 31, 2023. Mr. Abrams received a cash termination payment of \$107,246 which was paid within the year ended December 31, 2023.
- (10) Mr. Wetzel resigned from his position with the Company as Chief Revenue Officer and Chief Operating Officer, effective March 16, 2023.
- (11) Amount was paid in \$US but converted to \$CDN for purposes of this table using Bank of Canada's average annual exchange rate for 2023 of US\$1 = 1.3497, 2022 of US\$1 = \$1.3544 and 2021 of US\$ 1= 1.2535.

## Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards

The following table provides information with respect to stock options, RSUs and PSUs outstanding and held by the NEOs as of December 31, 2023.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#) <sup>(2)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
DANIEL VUCINIC..... <i>President and Chief Executive Officer</i>	630,000	1.87	08/09/2033	-	-	-	-
PHILIP JONES <sup>(4)</sup> ..... <i>Former Chief Financial Officer</i>	53,239 31,223	3.81 5.30	01/31/2033 05/01/2032	- -	-	-	-
OSMAN MOHAMEDNUR..... <i>Vice President, Engineering &amp; Operations</i>	44,833 10,000 22,537 5,387	3.81 5.44 3.70 5.25	01/31/2033 03/28/2032 07/06/2032 08/13/2031	- - - -	7,380	11,218	-
FADI JOSEPH..... <i>Vice President, Sales &amp; Marketing</i>	32,000	1.60	12/19/2033	-	-	-	-
<b>Former Officers</b>							
MATTHEW GERBER <sup>(6)</sup> .....	-	-	-	-	-	-	25,773

#### Notes:

- (1) Options are “in-the-money” at year end if the market value of the underlying Common Shares as at that date exceed the exercise price of the option. The closing price on the TSX of the Common Shares as of December 31, 2023 was \$1.52. No adjustment has been made for Options that have not yet vested and are therefore not yet exercisable.
- (2) Figures represent RSUs and/or PSUs that have not yet vested.
- (3) The market or payout value of RSUs and/or PSUs that have not vested is based on the closing price of the Common Shares on the TSX on December 31, 2023 which was \$1.52 and assumes that performance metrics associated with PSUs are achieved at 100%.
- (4) Mr. Jones resigned his position with the Company effective December 31, 2023, and all outstanding options will expire and/or cancelled on May 29, 2024.
- (5) Mr. Gerber ceased his position with the Company effective June 12, 2023. His PSUs vested and have not been paid out yet as of December 31, 2023.

*Incentive Plan Awards – Value Vested or Earned in 2023*

The following table provides information on the option-based, share-based and non-equity based incentive plan amounts vested or earned for the year ended December 31, 2023.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup> (\$)</b>	<b>Share-based awards – Value vested during the year<sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation – value earned during the year<sup>(3)</sup> (\$)</b>
DANIEL VUCINIC..... <i>President and Chief Executive Officer</i>	-	-	125,000
PHILIP JONES..... <i>Chief Financial Officer</i>	-	-	20,178
OSMAN MOHAMEDNUR..... <i>Vice President Engineering and Operations</i>	-	-	16,992
<b>Former Officers</b>			
MATTHEW GERBER..... <i>President and Chief Executive Officer</i>	-	-	-

**Notes:**

- (1) Following the grant date, stock options vest on the anniversary date of the grant in three equal amounts over a three-year period.
- (2) RSUs vest on the third anniversary of the grant date and PSUs vest on the third anniversary of the grant date, subject to performance vesting conditions. The payout value of vested RSUs and/or PSUs is based on the “Market Value” of the Common Shares on the date of vesting as defined in the RSU Plan. See “Long Term Incentive Plans – RSU Plan”.
- (3) The amount shown represents the annual incentive awards for 2023 as shown in the “Non-Equity Incentive Plan Compensation – Annual Incentive Plans” column of the Summary Compensation Table.

See “Long Term Incentive Plans” for a description of the Company’s Share Option Plan and RSU Plan and significant terms of such plans. See “Annual Incentives” for a description of the terms and targets for annual incentives paid to NEOs.

**4. Pension Plan Benefits**

The Company does not provide any pension plan for any of its NEOs or directors, nor does it have a deferred compensation plan.

## I. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2023 regarding the Directors' Share Compensation Program, the Common Shares issuable upon the exercise of options outstanding under the Company's Share Option Plan, the weighted average exercise price of such options and the number of Common Shares remaining available for issuance under the Share Option Plan. The table also provides information as of December 31, 2023 regarding the Common Shares issuable upon the vesting and settlement of RSUs and/or PSUs under the Company's RSU Plan and the number of Common Share remaining available for issuance to settle such Units.

Plan Category	Securities to be issued on exercise of outstanding options, warrants and rights (#) (a)	Weighted average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (#) (c)
Equity compensation plans approved by securityholders			
<ul style="list-style-type: none"> <li>• Share Option Plan<sup>(1)</sup></li> <li>• RSU Plan<sup>(2)</sup></li> <li>• Directors' Share Compensation Program<sup>(3)</sup></li> </ul>	936,732 11,784 n/a	2.54 n/a n/a	191,871 167,667 <sup>(4)</sup> 248,266
Equity compensation plans not approved by securityholders	0	0	0
Total	948,516	2.54	607,804

### Notes:

- (1) The Share Option Plan was most recently approved by shareholders of the Company on June 29, 2021.
- (2) The RSU Plan was most recently approved by shareholders of the Company on June 20, 2019.
- (3) The Directors' Share Compensation Program was most recently approved by shareholders of the Company on June 15, 2023.
- (4) The RSU Plan provides the Company with the option of settling vested RSUs and/or PSUs with cash equal to the market value of the equivalent number of Common Shares or delivering Common Shares to the holder either through the purchase of such Common Shares on the open market, or through the issuance of Common Shares from treasury. Therefore, the number of securities remaining available for further issuance only reflects a limit to the Company of settling such RSUs and/or PSUs through the issuance of Common Shares from treasury.

### Burn Rate

The following table discloses the annual burn rate for each of the Share Option Plan, RSU Plan and the Directors' Share Compensation Program during each of the three most recently completed fiscal years. The rates are calculated based on the weighted average of the Common Shares outstanding during the applicable year.

Plan	2023	2022	2021
Share Option Plan	5.11%	1.65%	1.72%
RSU Plan	0%	0%	0.67%
Directors' Share Compensation Program	0.68%	0.35%	0.29%

## II. BOARD OF DIRECTORS' COMPENSATION

In 2023, the directors of the Company were compensated on the following basis, in accordance with the Company's directors' share compensation program (the "**Directors' Share Compensation Program**"). The Directors' Share Compensation Program is used for the payment to non-management directors for annual and committee retainers in the form of Common Shares, as part of the overall compensation paid to directors. The Directors' Share Compensation Program is intended to (i) promote the achievement of the Company's long-term objectives by linking part of the

compensation of non-management directors to interests of the Company's shareholders, and (ii) attract and retain directors of outstanding competence.

The Directors' Share Compensation Program was reapproved by the shareholders at the annual and special meeting of shareholders on June 15, 2023, increasing the number of Common Shares reserved for issuance under the program by an additional 300,000. To date, an aggregate of 1,100,000 Common Shares have been approved by shareholders for issuance under the Directors' Share Compensation Program. As of the date of this Management Information Circular, 214,804 Common Shares remain issuable to non-management directors pursuant to the Directors' Share Compensation Program.

Under the Directors' Share Compensation Program, the Board may, without TSX and shareholder approval, amend the amount of compensation payable to directors under such Program. Other amendments to the Directors' Share Compensation Program will be subject to receipt of shareholder approval and the approval of the TSX, to the extent required. The rights and benefits under the Directors' Share Compensation Program are neither assignable nor transferrable.

### **1. Annual Director Retainer**

Each non-Executive Director in 2023, was entitled to an annual Board retainer in Common Shares with a value of \$25,000. The price used to determine the number of such Common Shares to be issued to the directors was the volume-weighted average trading price for the Common Shares for the 20 trading days immediately prior to the Company's annual meeting of shareholders in each year. These Common Shares were issued quarterly in four equal instalments.

### **2. Committee Members**

Each director participating as a member of a Board committee that was entitled to annual director retainer received in addition, the following annual committee member retainers:

Audit Committee:	\$5,000 in Common Shares
Compensation Committee:	\$5,000 in Common Shares
Governance Committee:	\$5,000 in Common Shares
Executive Committee:	\$5,000 in Common Shares

All such Common Shares were determined, earned and issued in the same manner as with the annual director retainer.

### **3. Board and Committee Chairs**

In addition, to the extent a Chairperson of the Board or a Board Committee was entitled to the annual director retainer, each such Chairperson also received the following annual retainer for their services:

Board:	\$75,000 in Common Shares
Audit Committee:	\$15,000 in Common Shares
Compensation Committee:	\$7,500 in Common Shares
Governance Committee:	\$7,500 in Common Shares
Executive Committee:	\$7,500 in Common Shares

All such Common Shares were determined, earned and issued in the same manner as with the annual director retainer.

#### 4. Other Fees and Expenses

Each director entitled to receive an annual director retainer is also paid a fee of \$1,000 cash per three (3) cumulative hours of attendance (in person or by either tele- or videoconference) at Board and Committee meetings. Travel expenses (if any) were reimbursed based upon economy air travel, and local business hotel arrangements were paid against submitted receipts.

#### 5. Board and Committee Meeting Attendance

The following table summarizes the meetings of the Board and its Committees held for the year ended December 31, 2023, together with the attendance of individual directors of the Company at such Board meetings and Committee meetings in which such director is a committee member.

Director	Board of Directors (7 meetings)	Audit (4 meetings)	Corporate Governance (4 meetings)	Compensation (7 meetings)	Executive (0 meetings)
DANIEL VUCINIC <sup>(1)</sup> .....	4 of 4	-	-	-	-
KENNETH CAMPBELL <sup>(6)</sup> .....	7 of 7	-	-	7 of 7	-
MARTIN PINNES <sup>(7)</sup> .....	7 of 7	2 of 2	2 of 2	3 of 3	-
PIETRO CORDOVA <sup>(3)</sup> .....	7 of 7	3 of 4	4 of 4	-	-
TINA PIDGEON <sup>(5)</sup> .....	4 of 4	2 of 2	2 of 2	-	-
JAMES A. WATSON <sup>(5)</sup> .....	4 of 4	-	2 of 2	-	-
FREDERICK W. HRENCHUK <sup>(5)</sup> .....	4 of 4	-	-	3 of 3	-
<b>Former Directors</b>					
MATTHEW GERBER <sup>(1)</sup> .....	3 of 3	-	-	-	-
RICHARD BREKKA <sup>(2)</sup> .....	3 of 3	-	2 of 2	4 of 4	-
LAUREL BUCKNER <sup>(5)</sup> .....	2 of 3	1 of 2	-	4 of 4	-
GARY SHERLOCK <sup>(4)</sup> .....	3 of 3	2 of 2	-	-	-

#### Notes:

- (1) Mr. Gerber served as Chair of the Board until March 8, 2021 and served as a member of the both the Compensation Committee and Executive Committee until March 8, 2021 after which time he was appointed Chief Executive Officer of the Company. Effective June 12, 2023, Mr. Gerber ceased to be Chief Executive Officer of the Company and did not seek re-appointment to the Board.
- (2) Mr. Brekka served as Chair of the Executive Committee and was a member of the Compensation Committee and Corporate Governance Committee in 2022, until June 14, 2023, at which time he reached the term limit to serve on the Board.
- (3) Mr. Cordova served as a member of the Audit Committee following his election to the board on June 14, 2022.
- (4) Mr. Sherlock served as Chair of the Audit Committee and was a member of the Executive Committee in 2022 until June 14, 2023, at which time he did not seek re-appointment to the Board.
- (5) Ms. Buckner was a member of the Audit Committee and served as Chair of the Compensation Committee in 2022 until June 14, 2023, at which time she did not seek re-appointment to the Board.
- (6) Mr. Campbell served as Chair of the Board beginning March 8, 2021 and was a member of the Corporate Governance Committee (until June 29, 2021), Executive Committee in 2021 (after March 8, 2021) and Compensation Committee (after June 29, 2021).
- (7) Mr. Pinnes was appointed to the Board on June 29, 2021 and was a member of the Corporate Governance Committee (after June 29, 2021). Mr. Pinnes was appointed Chair of the Corporate Governance Committee on June 14, 2022.

## 6. Non-Executive Directors' Compensation Table for 2023

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards			Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
		Annual Retainer (\$) <sup>(2)</sup>	Committee Member Retainer (\$) <sup>(2)</sup>	Chair/Committee Chair Retainer (\$) <sup>(2)(3)</sup>				
KENNETH CAMPBELL .....	8,250	25,000	6,250	75,000	-	-	-	114,500
MARTIN PINNES .....	6,083	25,000	8,750	7,500	-	-	-	47,333
PIETRO CORDOVA <sup>(4)</sup> .....	8,806	25,000	10,000	11,250	-	-	-	55,056
TINA PIDGEON .....	5,889	18,750	7,500	5,625	-	-	-	37,764
JAMES A. WATSON.....	5,056	18,750	3,750	-	-	-	-	27,556
FREDERICK W. HRENCHUK ..	5,250	18,750	3,750	-	-	-	-	27,750
<b>Former Directors</b>								
RICHARD BREKKA <sup>(5)</sup> .....	3,694	6,250	3,750	1,875	-	-	-	15,569
GARY SHERLOCK <sup>(6)</sup> .....	2,667	6,250	2,500	3,750	-	-	-	15,167
LAUREL BUCKNER <sup>(7)</sup> .....	3,278	6,250	2,500	1,875	-	-	-	13,903

### Notes:

- (1) Fees paid in cash.
- (2) Directors received annual and committee retainers in the form of Common Shares, as opposed to cash pursuant to the Directors' Share Compensation Program. These Common Shares were distributed quarterly in four equal instalments.
- (3) Directors who served as Chair of the Board and/or Chair for a Committee received an additional retainer for their services in the form of Common Shares. These Common Shares were distributed quarterly in four equal instalments.
- (4) Mr. Brekka served as Chair of the Executive Committee and was a member of the Compensation Committee and Corporate Governance Committee in 2022, until June 14, 2023, at which time he reached the term limit to serve on the Board.
- (5) Mr. Sherlock served as Chair of the Audit Committee and was a member of the Executive Committee in 2022 until June 14, 2023, at which time he did not seek re-appointment to the Board.
- (6) Ms. Buckner was a member of the Audit Committee and served as Chair of the Compensation Committee in 2022 until June 14, 2023, at which time she did not seek re-appointment to the Board.
- (7) Mr. Cordova was elected to the Board on June 14, 2022.

## 7. Outstanding share-based awards and option-based awards of the Directors

The following table provides information regarding the option-based awards for each non-employee director outstanding as at year ended December 31, 2023. The directors' annual, committee, and chair retainer fees are paid in Common Shares and such share-based compensation is disclosed above in the Table "Directors' Compensation Table for 2023". No other share-based award plan has been adopted for the directors.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
KENNETH CAMPBELL .....	-	-	-	-	-	-	-
MARTIN PINNES .....	-	-	-	-	-	-	-
PIETRO CORDOVA .....	-	-	-	-	-	-	-
TINA PIDGEON .....	-	-	-	-	-	-	-
JAMES A. WATSON .....	-	-	-	-	-	-	-
FREDERICK W. HRENCHUK .....	-	-	-	-	-	-	-

### Notes:

- (1) Each option entitles the holder to purchase one Common Share at the specified exercise price.
- (2) Option is "in-the-money" at year end if the market value of the underlying Common Share as at that date exceed the exercise price of the option. The closing price on the TSX of the Common Shares as of December 31, 2023 was \$1.52.

## 8. Incentive Plan Awards – Value Vested or Earned in 2023

The following table provides information on the vesting and payouts of awards for each non-employee director under the Company's incentive plans for the year ended December 31, 2023.

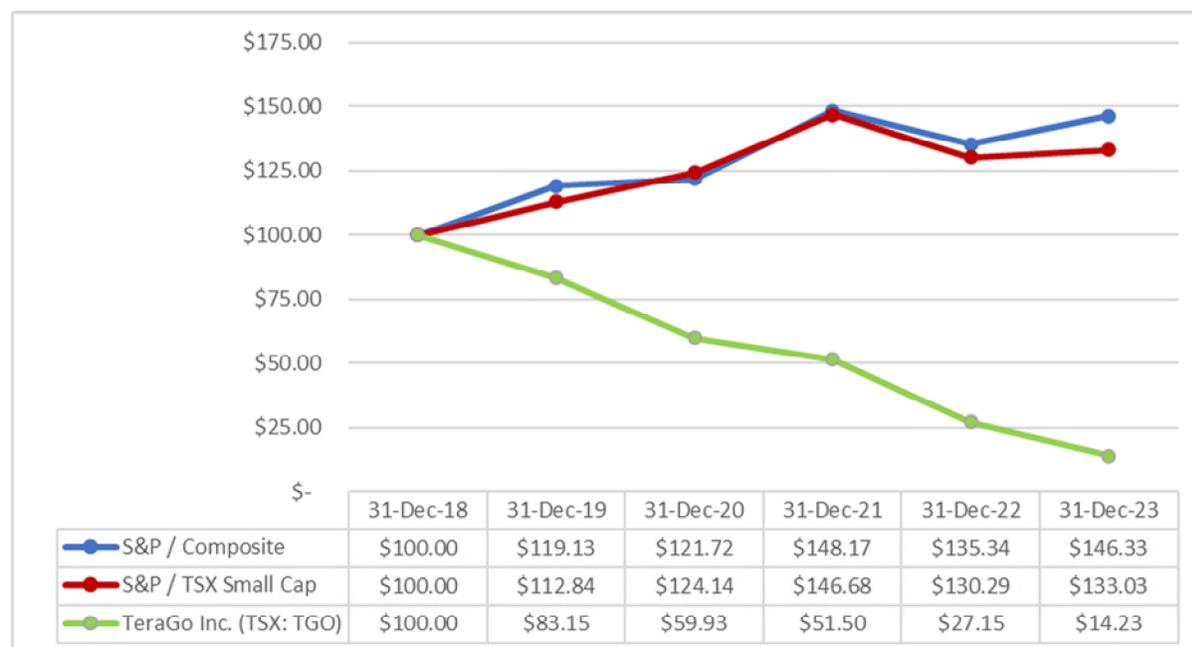
Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
KENNETH CAMPBELL .....	-	-	-
MARTIN PINNES .....	-	-	-
PIETRO CORDOVA .....	-	-	-
TINA PIDGEON .....	-	-	-
JAMES A. WATSON .....	-	-	-
FREDERICK W. HRENCHUK .....	-	-	-

### Notes:

- (1) The directors' annual, committee, and chair retainer fees are paid in Common Shares and such share-based compensation is disclosed above in the Table "Directors' Compensation Table for 2023".

### III. COMMON SHARE PERFORMANCE GRAPH

Since June 26, 2007, the Common Shares have been listed and posted for trading on the TSX under the symbol “TGO”. The following graph compares the cumulative total shareholder return for \$100 invested in the Common Shares with the total cumulative total return for \$100 invested in each of the S&P/TSX Composite Index and S&P/TSX Small Cap Index for the five-year period from December 31, 2018 to December 31, 2023. The Common Shares are not included in either of the S&P/TSX Composite Index or S&P/TSX Small Cap Index.



The Compensation Committee believes that the performance of the Company in general as compared to the comparative indices used is reflective in total NEO compensation over such period.

### IV. TERMINATION AND CHANGE OF CONTROL BENEFITS

#### 1. Employment Agreements

Each NEO has entered into an employment agreement with either TERAGO Networks Inc. or TERAGO Networks (U.S.) Inc. (collectively, “TNI”), each of which is a wholly owned subsidiary of the Company. These agreements are subject to review and change as determined and approved by the Board and the NEO, as applicable, from time to time.

If TNI terminates the employment of any NEO, other than for cause, such NEO shall be entitled to a severance payment from TNI in an amount equal to the aggregate of:

- In the case of Mr. Vucinic, the base salary that would otherwise have been paid to such officer had his employment continued for a period of 12 months following the termination date, together with 100% of Average Annual Bonus, plus one additional month of base salary for each year of service to maximum of six (6) additional months of base salary.
- In the case of Mr. Jones, and Mr. Mohamednur, the base salary that would otherwise have been paid to the officer had his employment continued for a period of 12 months following the termination date, plus 100% of Average Annual Bonus.
- In the case of Mr. Joseph, the base salary that would otherwise have been paid to such officer had his employment continued for a period of 3 months following the termination date, together with 100% of Average Annual Bonus, plus one additional month of base salary for each year of service to maximum of three (3) additional months of base salary.

“Average Annual Bonus” is defined in each NEO employment agreement as the average bonus payments received by the NEO for the three completed years (or such lesser completed fiscal years, as applicable) prior to his/her termination.

Each NEO has also entered into a non-solicitation and confidentiality agreement with TNI which provides for, among other things, non-solicitation and non-compete covenants in favour of TNI. These covenants will apply during the term of employment and for a specified period following the termination of their employment by TNI for any reason.

## 2. Stock Options

Under the terms of the Company’s Share Option Plan, in the event of a proposed change of control transaction, the vesting of all outstanding options will accelerate immediately prior to the completion of any such transaction.

## 3. RSUs and PSUs

Under the terms of the RSU Plan, in the event of a proposed change of control transaction, the vesting of all outstanding RSUs or PSUs will accelerate immediately prior to the completion of any such transaction.

## 4. Potential Payments Upon Termination or Change of Control Accompanied with Termination

The following table shows potential payments to each NEO currently employed with the Company, as if the officer’s employment had been terminated or a change in control accompanied with a termination had occurred as of December 31, 2023. If applicable, amounts in the table were calculated using \$1.52, the closing price of the Common Shares on the TSX on December 31, 2023. The actual amounts that would be paid to any NEO can only be determined at the time of an actual termination of employment and would vary from those listed below. The estimated amounts listed below are in addition to any other benefits that are available to our salaried employees generally.

Name	Triggering Event	Severance (\$)	Equity-Based Compensation (\$)	Total (\$)
DANIEL VUCINIC..... <i>President and Chief Executive Officer</i>	<ul style="list-style-type: none"> <li>Without Cause Termination</li> <li>Change of Control</li> </ul>	\$435,000 \$435,000	- -	\$435,000 \$435,000
PHILIP JONES <sup>(1)</sup> ..... <i>Chief Financial Officer</i>	<ul style="list-style-type: none"> <li>Without Cause Termination</li> <li>Change of Control</li> </ul>	\$332,142 -	- -	\$332,142 -
OSMAN MOHAMEDNUR..... <i>Vice President Engineering and Operations</i>	<ul style="list-style-type: none"> <li>Without Cause Termination</li> <li>Change of Control</li> </ul>	\$266,019 \$266,019	\$11,218 \$11,218	\$277,236 \$277,236
FADI JOSEPH..... <i>Vice President, Sales &amp; Marketing</i>	<ul style="list-style-type: none"> <li>Without Cause Termination</li> </ul>	\$55,000	-	\$55,000

### Notes:

(1) On December 23, 2023, the Company and Mr. Jones entered into a mutual separation agreement, under which Mr. Jones was to be provided 2 months of transition payments and 10 months of departure payments, in total aggregating to his annual base salary plus 100% of average annual bonus per the terms of the applicable employment agreement.

A change of control transaction bonus plan was also established during the 2022 fiscal year. Subject to their employment with the Company at the time of a change of control transaction, certain members of the senior leadership team (Matthew Gerber, Philip Jones, Osman Mohamednur and Blake Wetzel) will share 10% of the change in equity value should a change of control transaction occur at a share price at or greater than \$8.00 per common share. Equity value is calculated based on TERAGO’s Inc.’s common share price multiplied by the number of outstanding shares. The change in equity value is calculated as the equity value per the change of control transaction less the Equity value based upon the \$8.00 common share price. Any other change of control benefits would be offset against the carve-out amount.