



Fireswirl
Technologies Inc.

FORM 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
(for the financial year ended December 31, 2017)

June 22, 2018

EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, Fireswirl Technologies Inc. (the "**Corporation**") is required to provide a summary of all annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of any individual who served as the Chief Executive Officer or Chief Financial Officer of the Corporation during such period, the other three most highly compensated executive officers of the Corporation whose total compensation for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied these criteria but for the fact that the individual was neither serving as such an officer, nor acting in a similar capacity, at the end of the most recently completed financial year (each referred to as an "**Named Executive Officer**").

During the financial year ended December 31, 2017, the following individuals were the Named Executive Officers of the Corporation:

- Henry Au, Interim Chief Executive Officer (appointed June 16, 2017);
- Lawrence Ng, former Interim Chief Executive Officer (resigned June 16, 2017); and
- Ji Yoon, Interim Chief Financial Officer (appointed December 1, 2008).

Compensation Discussion and Analysis

The board of directors of the Corporation (the "**Board**") has appointed a compensation and corporate governance committee (the "**CCGC Committee**") to assist it in determining compensation for its executive officers. In determining compensation, the Corporation's goal is to provide sufficient compensation opportunities for executive officers in order to attract, retain and motivate the best possible management team and to align the interests of the Corporation's executive officers with the interests of the shareholders of the Corporation (the "**Shareholders**"). The Corporation's compensation policy with respect to executive officers is designed to provide both short-term and long-term rewards that are consistent with individual and corporate performance. Compensation for executive officers, including the Chief Executive Officer and Chief Financial Officer of the Corporation, consists of a base salary and options granted on a discretionary basis under the Corporation's stock option plan dated October 26, 2005, as amended and restated on August 20, 2013 (the "**Option Plan**").

Each executive officer's base salary is determined with reference to such officer's experience, skill level, past performance and level of responsibility in respect of the Corporation. In setting base salaries, the Board and the CCGC Committee rely primarily on their own experience and knowledge and ensure that compensation remains at a level that is both in line with the Corporation's fiscal resources and its stage of development. Compensation of the executive officers of the Corporation is reviewed annually to take into account performance contributions for the year and to reflect sustained performance contributions from past years.

The Corporation also considers stock options to be an important component of executive compensation. The objective of making grants under the Option Plan is to encourage executive officers to acquire an ownership interest in the Corporation over a period of time, thus better aligning the interests of executive officers with the interests of the Shareholders. Options are granted in consideration of the level of responsibility of the executive as well as the executive's impact or contribution to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the Board and the CCGC Committee take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure

that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**") and closely align the interests of the executive officers with the interests of the Shareholders.

Compensation Governance

The CCGC Committee is appointed by the Board to, among other things, discharge the Board's responsibilities relating to compensation of the Corporation's directors and officers. The CCGC Committee is currently comprised of Messrs. Ji Yoon and Henry Au, each of whom are executive officers of the Corporation and are therefore, not considered independent.

On an annual basis, the CCGC Committee reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer of the Corporation, evaluates the Chief Executive Officer's performance in light of those goals and objectives and sets the Chief Executive Officer's compensation level based on this evaluation. The CCGC Committee meets without the presence of other executive officers when approving the Chief Executive Officer's compensation but may invite the Chief Executive Officer to be present during approval of other executive officers' compensation.

All members of the CCGC Committee have experience in compensation matters either as members of compensation committees of other companies and/or from having served as senior executives with significant responsibility for or involvement in compensation matters.

Risk Management

Neither the Board nor the CCGC Committee formally considered the implications of risks associated with the Corporation's compensation policies and practices during the year ended December 31, 2017. However, due to the relatively small size of the Corporation and its current management group, the Board and the CCGC Committee believe that they are able to monitor and consider, on an informal basis, risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board and committee meetings during which financial and other information of the Corporation is reviewed. The Corporation does not have any formal policy respecting the purchase of financial instruments by Named Executive Officers or directors of the Corporation.

Summary Compensation Table

The following table (and notes thereto) states the name of each Named Executive Officer and his annual compensation, consisting of salary, option-based awards and other annual compensation for each of the Corporation's three most recently completed financial years.

Name and principal position	Year ended December 31,	Salary (\$)	Option-based awards (\$) ⁽¹⁾	All other compensation (\$)	Total compensation (\$)
Lawrence Ng ⁽²⁾ Interim Chief Executive Officer and Director	2017	105,333	12,990	60,000	178,323
	2016	231,550	14,576	Nil	246,126
	2015	47,639	Nil	Nil	47,639
Henry Au ⁽³⁾ Interim Chief Executive Officer and Director	2017	106,675	8,660	30,000 ⁽⁴⁾	145,335
	2016	16,000	5,466	30,000	51,466
	2015	Nil	Nil	Nil	Nil
Ji Yoon Interim Chief Financial Officer and Director	2017	134,750	12,990	60,000	207,740
	2016	208,881	11,696	Nil	220,577
	2015	160,356	5,401	Nil	165,757

Notes:

- (1) The amounts in this column represent the fair value of stock options, which is estimated on the date of grant using the Black-Scholes Model, as discussed below.
- (2) Mr. Ng resigned as Interim Chief Executive Officer of the Corporation effective June 16, 2017. Mr. Au was appointed as Interim Chief Executive Officer of the Corporation effective the same date. Mr. Ng resigned as a director of the Corporation effective November 7, 2017.
- (3) Mr. Au was appointed as a director of the Company effective December 30, 2015. Mr. Au was appointed as Interim Chief Executive Officer of the Corporation effective June 16, 2017.
- (4) Granted by the CCGC as a one-time payment to the Chair of the Corporation's Special Committee on June 7, 2017.

All of the option-based awards in the above table were granted with an exercise price equal to the market price of the common shares of the Corporation (the "**Common Shares**") on the date of grant. The amounts reported do not represent net cash proceeds received by the individuals from the exercise of stock options.

The Corporation uses the Black-Scholes Model to estimate the fair value of stock options at the date of grant using the following assumptions:

Expected volatility: 121% to 133%;
 Risk-free interest rate: 0.76% to 1.28%;
 Expected life: 5 years; and
 Dividend yield: Nil.

Outstanding Option-Based Awards (Named Executive Officers)

The following table states the name of each Named Executive Officer, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2017. The closing price of the Common Shares on the Exchange on December 31, 2017 was \$0.05. As at December 31, 2017, the Named Executive Officers did not hold any "in-the-money" unexercised options.

Name	Option-based Awards			
	Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Lawrence Ng	800,000	0.05	May 27, 2021	Nil
	300,000	0.05	June 7, 2022	Nil
Ji Yoon	100,000	0.12	April 3, 2020	Nil
	600,000	0.05	May 27, 2021	Nil
	300,000	0.05	June 7, 2022	Nil
Henry Au	300,000	0.05	May 31, 2021	Nil
	200,000	0.05	June 7, 2022	Nil

The Corporation did not have a long-term incentive plan pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Corporation's securities) was paid or distributed to the Named Executive Officers during the most recently completed financial year.

Option-Based Awards – Value Vested during the Year (Named Executive Officers)

The following table discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the Name Executive Officers on the vesting date. Other than as disclosed herein, during the financial year ended December 31, 2017, no options held by the Named Executive Officers vested.

Name ⁽¹⁾	Option-based awards – Value vested during the year (\$)
Lawrence Ng	Nil
Ji Yoon	Nil
Henry Au	Nil

Note:

⁽¹⁾ 50% of the reported options granted to Messrs. Ng, Yoon and Au on May 27, 2016 vested on May 27, 2017. All of the reported options granted to Messrs. Ng, Yoon and Au on June 7, 2017 vested immediately.

Termination and Change of Control Benefits

Mr. Ng received a monthly salary for his services as Interim Chief Executive Officer of the Corporation pursuant to a consulting agreement dated September 23, 2015. Upon termination without just cause by the Corporation of Mr. Ng's employment agreement, Mr. Ng was entitled to a payment of \$14,583 in lieu of notice from the Corporation due to Mr. Ng under the agreement up to the date of termination. Mr. Ng resigned as Interim Chief Executive Officer of the Corporation effective June 16, 2017; an amount of \$14,583 in respect of severance was payable to him.

Mr. Au received a monthly salary for his services as Interim Chief Executive Officer of the Corporation pursuant to a consulting agreement dated June 16, 2017. The Corporation may terminate the consulting agreement at any time by providing 30 days' written notice, or by providing a lump sum payment in lieu of notice, plus any amounts due to Mr. Au under the agreement up to the date of termination. Had Mr. Au's consulting agreement been terminated December 31, 2017, Mr. Au would not have been entitled to any payment from the Corporation unless the termination occurred without notice, in which case he would have been entitled to a payment of \$14,583 in lieu of such notice.

Mr. Yoon received a monthly salary for his services as Interim Chief Financial Officer of the Corporation pursuant to a consulting agreement dated December 15, 2008, as amended March 25, 2015. The Corporation may terminate the consulting agreement at any time by providing 30 days' written notice, or by providing a lump sum payment in lieu of notice, plus any amounts due to Mr. Yoon under the agreement up to the date of termination. Had Mr. Yoon's consulting agreement been terminated December 31, 2017, Mr. Yoon would not have been entitled to any payment from the Corporation unless the termination occurred without notice, in which case he would have been entitled to a payment of \$7,500 in lieu of such notice.

Director Compensation

During the financial year ended December 31, 2017, outside directors of the Corporation were eligible to receive an annual retainer of \$16,000, paid quarterly. Other than as may be disclosed herein, the Corporation had no arrangements, standard or otherwise, pursuant to which outside directors were compensated by the Corporation or its subsidiaries for committee participation, involvement in special assignments or for services as a consultant or an expert during the most recently completed financial year. The following table (and notes thereto) states the names of each director who is not also a Named Executive Officer, and the compensation received by such director for the most recently completed financial year.

Name ⁽¹⁾	Fees earned (\$)	Option-based awards (\$) ⁽²⁾	All other compensation (\$)	Total (\$)
James Borkowski ⁽³⁾	8,000	8,660	Nil	16,660
Liang Li	Nil	8,660	Nil	8,660

Notes:

- ⁽¹⁾ Disclosure relating to compensation for each of Messrs. Ng, Au and Yoon is contained in the "Summary Compensation Table" above. As non-independent directors, Messrs. Ng, Au and Yoon were not paid directors' fees during the period reported.
- ⁽²⁾ The amounts in this column represent the fair value of stock options which is estimated on the date of grant using a Black-Scholes Model. See the discussion under the section entitled "Summary Compensation Table" above.
- ⁽³⁾ Mr. Borkowski resigned as a director of the Corporation effective November 7, 2017.

Outstanding Option-Based Awards (Directors)

The table below (and note thereto) states the name of each director of the Corporation, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2017. The closing price of the Common Shares on the Exchange on December 31, 2017 was \$0.05. As at December 31, 2017, none of the directors of the Corporation held any "in-the-money" unexercised options.

Name ⁽¹⁾	Option-based Awards			Value of unexercised in-the-money options (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	
James Borkowski	100,000	0.09	June 10, 2020	Nil
	400,000	0.05	May 27, 2021	Nil
	200,000	0.05	June 7, 2022	Nil
Liang Li	100,000	0.09	June 10, 2020	Nil
	300,000	0.05	May 27, 2021	Nil
	200,000	0.05	June 7, 2022	Nil

Note:

⁽¹⁾ Relevant disclosure for each of Messrs. Ng, Au and Yoon is contained in the "Outstanding Option-Based Awards (Named Executive Officers)" table above.

Option-Based Awards – Value Vested During the Year (Directors)

The following table (and note thereto) discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the directors on the vesting date. Other than as disclosed herein, during the financial year ended December 31, 2017, no options held by the directors vested.

Name ⁽¹⁾⁽²⁾	Option-based awards – Value vested during the year (\$)
James Borkowski	Nil
Liang Li	Nil

Notes:

⁽¹⁾ 50% of the reported options granted to Messrs. Borkowski and Li on May 27, 2016 vested on May 27, 2017. All of the reported options granted to Messrs. Borkowski and Li on June 7, 2017 vested immediately.

⁽²⁾ Relevant disclosure for each of Messrs. Ng, Au and Yoon is contained in the "Option-Based Awards – Value Vested During the Year (Named Executive Officers)" table above.