

EDGEWATER WIRELESS SYSTEMS INC.

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**Form 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION
(for the financial year ended April 30, 2023)**

The following information is provided in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers*. In this Statement of Executive Compensation, references to the “Company” refer to Edgewater Wireless Systems Inc. All monetary amounts herein are expressed in Canadian dollars unless otherwise stated. Except where otherwise indicated, the information contained herein is stated as of April 30, 2023.

For the purposes set out below a “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) the chief executive officer of the Company (“CEO”);
- (b) the chief financial officer of the Company (“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 neither an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at the end of the Company’s financial year ended April 30, 2023, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

Director and Named Executive Officer Compensation

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company, for each of the Company’s financial years ended April 30, 2023 and April 30, 2022.

Table of compensation excluding compensation securities							
Name and position	Year Ended April 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Andrew Skafel⁽¹⁾ President, CEO and Director	2023	\$190,800	Nil	Nil	Nil	Nil	\$190,800
	2022	\$190,800	Nil	Nil	Nil	Nil	\$190,800

Table of compensation excluding compensation securities							
Name and position	Year Ended April 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Chris Olney CFO and Corporate Secretary	2023	\$48,986	Nil	Nil	Nil	Nil	48,986
	2022	\$54,601	Nil	Nil	Nil	Nil	\$54,601
Brian Imrie Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Ralph Garcea Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Hubert A.J. Whyte ⁽²⁾ Former Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes

- (1) Mr. Skafel receives compensation for acting as President and CEO of the Company.
- (2) Mr. Whyte ceased to be a director of the Company effective as of November 22, 2022.

Stock options and other compensation securities

The following table provides information on all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries during the financial year ended April 30, 2023 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

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 ⁽¹⁾ (\$)	Expiry Date
Andrew Skafel ⁽¹⁾ President, CEO and Director	Stock Options	400,000	Nov 22, 2022	\$0.08	\$0.11	\$0.14	Nov 22, 2030
Chris Olney ⁽²⁾ CFO and Corporate Secretary	Stock Options	100,000	Nov 22, 2022	\$0.08	\$0.11	\$0.14	Nov 22, 2030
Brian Imrie ⁽³⁾ Director	Stock Options	325,000	Nov 22, 2022	\$0.08	\$0.11	\$0.14	Nov 22, 2030
Ralph Garcea ⁽⁴⁾ Director	Stock Options	325,000	Nov 22, 2022	\$0.08	\$0.11	\$0.14	Nov 22, 2030

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 ⁽¹⁾ (\$)	Expiry Date
Hubert A.J. Whyte⁽⁵⁾ Former Director	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Mr. Skafel held 7,040,000 compensation securities on the last day of the most recently completed financial year.
- (2) Mr. Olney held 503,334 compensation securities on the last day of the most recently completed financial year.
- (3) Mr. Imrie held 1,500,000 compensation securities on the last day of the most recently completed financial year.
- (4) Mr. Garcea held 650,000 compensation securities on the last day of the most recently completed financial year.
- (5) Mr. Whyte held 1,400,000 compensation securities on the last day of the most recently completed financial year.

No compensation securities were exercised by the directors or NEOs during the financial year ended April 30, 2023.

Stock option plans and other incentive plans

The Company's rolling 2022 stock option plan (the "**Plan**") was previously approved by the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Shareholders held on November 22, 2022. It is required to be approved at the Company's next annual general meeting. The purpose of the Plan is to provide an incentive to directors, employees and consultants of the Company or its subsidiary to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the material terms of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Incentive stock options ("**Options**") may be granted under the Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the "**Directors**"), employees of the Company or its subsidiaries (collectively, the "**Employees**") or consultants of the Company or its subsidiaries (collectively, the "**Consultants**"). The board of directors of the Company (the "**Board**"), in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Plan.

Number of Shares Reserved. The number of common shares of the Company ("**Common Shares**") which may be issued pursuant to Options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of Options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of Options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares when combined with security based compensation grants to such person under any other security based compensation plan of the Company, calculated on the date the Option is granted. The aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares when combined with security based compensation grants to such Consultant under any other security based compensation plan of the Company, calculated at the date the Option is granted. The aggregate number of Options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and

outstanding Common Shares in any 12 month period, calculated at the date an Option is granted to any such person. Disinterested shareholder approval will be required for any grant of Options which will result in the number of Options granted to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares when combined with security based compensation grants to Insiders under any other security based compensation plan of the Company.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the Corporate Finance Policies of the TSX Venture Exchange (the “**Exchange**”) or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to Options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period.

Dividend entitlement. The Plan does not include any dividend entitlement to participants. If participants were entitled to receive options in lieu of dividends declared by the Company, and if the Company did not have sufficient unallocated Options available to satisfy the obligation, then the Company may settle those entitlements with cash.

Termination. Any Options granted pursuant to the Plan will terminate upon the earliest of:

- (a) the end of the term of the Option;
- (b) on the date the holder ceases to be eligible to hold the Option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Adjustments. Any adjustment to Options granted or issued (except in relation to a consolidation or share split) will be subject to the prior acceptance of the Exchange.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Employment, consulting and management agreements

The Company does not have any agreement or arrangement under which compensation was provided during the Company’s most recently completed financial year ended April 30, 2023 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

Oversight and description of director and named executive officer compensation

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill and experience levels and the current stage of development of the Company. Executive officers are compensated on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Company's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of Options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company's compensation program provides that total compensation for senior management may include a combination of base salary, and objective-based incentives as well as the same health and insurance benefit programs as provided to all other employees. The Company does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the Option grants to be made pursuant to the Plan. Previous grants of Options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the Exchange.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (SEDAR+) website at www.sedarplus.ca.