

CF ENERGY CORP.
(the "Corporation")

Form 51-102F6V
Statement of Executive Compensation – Venture Issuers
(for the year ended December 31, 2021)

The following information, dated as of June 28, 2022 is provided as required under Form 51-102F6V *Statement of Executive Compensation - Venture Issuers* ("**Form 51-102F6V**").

For the purpose of this Statement of Executive Compensation:

"Compensation Securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries;

"Named Executive Officer" or **"NEO"** means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation 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;
- (d) each individual who would be a named executive officer under paragraphs (c) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year;

"plan" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

"underlying securities" means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following information is presented in accordance with Form 51-102F6V and provides details of all compensation for each of the Directors and Named Executive Officers of the Corporation for the years ended December 31, 2021 and 2020.

Director and Named Executive Officer Compensation (excluding Compensation Securities)

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to each current and former NEO and Director, in any

capacity, for the years ended December 31, 2021 and 2020.

| Table of compensation excluding compensation securities | | | | | | | |
|---|------|--|---------------------------|--------------------------------|--|--------------------------------------|-------------------------|
| Name and Position | Year | Salary, consulting fee, retainer or commission (\$) ⁽¹⁾ | Bonus (\$) ⁽²⁾ | Committee or meeting fees (\$) | Value of perquisites (\$) ⁽³⁾ | Value of all other compensation (\$) | Total Compensation (\$) |
| Ms. Ann Siyin Lin (“Ms. Lin”) <i>Chief Executive Chair of the Board of Directors Officer and CEO</i> (note 4) | 2021 | 222,618 | - | - | - | - | 222,618 |
| | 2020 | 231,510 | - | - | - | - | 231,510 |
| Ling Cao <i>Chief Financial Officer</i> (note 4) | 2021 | 95,544 | - | - | - | - | 95,544 |
| | 2020 | 128,434 | - | - | - | - | 128,434 |
| Wencheng Zhang <i>Director</i> (note 6) | 2021 | 40,106 | - | 3,500 | - | - | 43,606 |
| | 2020 | 40,283 | - | 5,000 | - | - | 45,283 |
| Dan Liu <i>Director</i> (note 5) | 2021 | 17,000 | - | 2,000 | - | - | 19,000 |
| | 2020 | 17,000 | - | 3,000 | - | - | 20,000 |
| Hui Cai <i>Director</i> (note 5) | 2021 | 17,000 | - | 3,500 | - | - | 20,500 |
| | 2020 | 17,000 | - | 5,000 | - | - | 22,000 |
| Yongbiao Ding (“Winfield Ding”) <i>Director</i> (note 7) | 2021 | 21,000 | - | 4,000 | - | - | 25,000 |
| | 2020 | 21,000 | - | 5,000 | - | - | 26,000 |

Notes:

- (1) The Corporation does not provide any additional compensation to its NEOs for serving as Directors.
- (2) The Corporation does not have an annual performance bonus plan. However, the Compensation and Human Resources Committee and/or the board of directors of the Corporation (the “**Board of Directors**”) may award annual discretionary bonuses based on an individual or the Corporation achieving certain designated objectives and for superior or exceptional performance in relation to such objectives. No bonus was granted to any of the Named Executive Officers in the two years ended December 31, 2021.
- (3) The Corporation does not provide its executive officers with perquisites or other personal benefits.
- (4) Compensation entitlement is denominated in RMB and is converted to CAD at the respective average rates of RMB 1 to CAD 0.1943 for 2021 and CAD 0.1944 for 2020.
- (5) Compensation entitlement is denominated in CAD and is converted to RMB at the respective rate at the time of payment.
- (6) Compensation entitlement is denominated in both CAD and RMB. Compensation entitlement denominated in CAD is converted to RMB at the respective rate at the time of payment. Compensation entitlement denominated in RMB is converted to CAD at the respective average rates of RMB 1 to CAD 0.1943 for 2021 and CAD 0.1944 for 2020.
- (7) Compensation entitlement is denominated in CAD and payment is in CAD.

Stock Options and Other Compensation Securities

During the year ended December 31, 2021, none of the NEOs or Directors were granted any stock options or other compensation securities by the Corporation or its subsidiaries.

Exercise of Compensation Securities

During the year ended December 31, 2021, none of the NEOs or other Directors of the Corporation exercised any options or other compensation securities.

Stock Option Plan

The Corporation has in effect a "rolling" stock option plan (the "**Stock Option Plan**") which sets the number of options available for grant by the Corporation at an amount equal to up to a maximum of 10% of the Corporation's issued and outstanding common shares (each, a "**Common Share**") from time to time. Under the policies of the TSX Venture Exchange (the "**Exchange**"), a rolling stock option plan must be re-approved on a yearly basis by the shareholders of the Corporation (the "**Shareholders**"). The Stock Option Plan was approved on July 26, 2019 and re-approved on October 29, 2020 and December 23, 2021.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of the Corporation by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options granted under the Stock Option Plan are non-assignable and may be granted for a term not exceeding ten years. Some of the key provisions of the Stock Option Plan are as follows:

- The exercise price of options issued under the Stock Option Plan may not be less than the market price of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable regulatory requirements, subject to a minimum price of \$0.10.
- Options may be granted under the Stock Option Plan only to Directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time.
- The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan within any one (1) year period may not exceed 5% of the outstanding issue.
- The maximum number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan together with any other employee stock option plans or options for services, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of Common Shares that may be issued to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one-year period shall be 10% of the outstanding issue.
- The maximum number of Common Shares that may be issued to any one insider and his or her associates under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within a one- year period shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of Common Shares issuable pursuant to options that may be granted to any one consultant under the Stock Option Plan together with any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).
- The maximum number of Common Shares issuable pursuant to options that may be granted to investor relations persons under the Stock Option Plan together with any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).
- Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of options will make new grants available under the Stock Option Plan effectively resulting in a re-loading of the number of options available to grant under the Stock Option Plan.

Stock Award Plan

The Corporation has in effect a stock award plan (the “**Stock Award Plan**”) which was approved on October 29, 2020. Under the Stock Award Plan, 10% of the Common Shares outstanding will be reserved for issuance.

The purpose of the Stock Award Plan is to encourage share ownership by and retention of employees of the Corporation and participating subsidiaries so that they may participate in future growth of the Corporation by increasing their interest in the Common Shares of the Corporation, to enhance employee compensation at a level commensurate with that of the Corporation’s peers without an impact on the Corporation’s cash resources and liquidity, and so that their interests are further aligned with those of the Shareholders. The Stock Award Plan is designed to encourage eligible employees to remain in the employ of the Corporation and its participating subsidiaries.

The Stock Award Plan will be administered by the Board of Directors (and, while acting in the capacity of the administrator of the Stock Award Plan, the “**Administrator**”). Eligible employees who are enrolled in the Stock Award Plan (“**Participants**”) will, twice a year, or as otherwise determined by the Administrator, provided an eligible employee has satisfied any performance conditions set by the Administrator for such eligible employee, be issued an award of a number Common Shares equal to the value of the compensation determined by the Administrator to be earned by such eligible employee on the date of approval of an award. Some of the key provisions of the Stock Option Plan are as follows:

- The Stock Award Plan will limit the maximum number of Common Shares issuable to insiders thereunder within any one (1) year period, or issuable to insiders at any time, under the Stock Award Plan, the Stock Option Plan and other types of security-based compensation arrangements of the Corporation to 10% of the number of the then issued and outstanding Common Shares of the Corporation.
- The total number of Common Shares which may be reserved for issuance to any one individual under the Stock Award Plan within any one (1) year period shall not exceed 5% of the issued and outstanding Common Shares and the total number of Common Shares which may be reserved for issuance to any one Consultant (as defined in the policies of the Exchange) within any one year period shall not exceed 2% of the issued and outstanding Common Shares.
- A person retained to provide Investor Relations Activities (as defined in the policies of the Exchange) will not be entitled to receive any Common Shares under the Stock Award Plan.
- The number of Common Shares to be issued pursuant to an award under the Stock Award Plan will be determined by dividing the value of the compensation determined by the Administrator to be earned by the eligible employee on the date of approval of an award by the Average Market Price of the Common Shares on the date of approval of the award less the maximum allowable discount to the Average Market Price permitted by the securities exchange upon which the Common Shares are listed. The term “Average Market Price” is defined in the Stock Award Plan as the volume weighted average trading price of the Common Shares for the ten (10) trading days immediately preceding such day on the securities exchange or quotation system on which the greatest volume of trading of the Common Shares in that period has occurred, if the Common Shares are then traded on such securities exchange or quotation system.
- The Administrator may from time to time adopt amendments to the Stock Award Plan, provided that, without the approval of the Shareholders, no amendment may (i) increase the number of Common Shares that may be issued under the Stock Award Plan; (ii) increase the limits on the total number of Common Shares that may be acquired by any one individual under the Stock Award Plan or any one insider of the Corporation and the insider’s associates; (iii) change the eligible Participants in a manner that would have the potential for broadening or increasing the insider participation in the Stock Award Plan; (iv) increase the limit on the total number of Common Shares that may be acquired by insiders of the Corporation or acquired by insiders within a one-year period; or (v) amending the amendment provisions of

the Stock Award Plan to eliminate a matter requiring approval by the Shareholders. In addition, any modification or amendment to the Stock Award Plan will be subject to the prior approval of the Exchange to the extent that the Common Shares are listed on the Exchange at the time of such proposed termination, modification or amendment. Subject to the foregoing, the Administrator has the discretion to make certain amendments to the Stock.

- An award under the Stock Award Plan or a Participant's rights under the Stock Award Plan may not be pledged, assigned, encumbered or otherwise transferred for any reason, except to certain permitted assignees, including the Participant's spouse, a trustee, custodian or administrator acting on behalf of or for the benefit of the Participant or the Participant's spouse or a personal holding corporation (or equivalent).

Employment, Consulting and Management Agreements and Arrangements

The Company does not have any written agreements or arrangements with NEOs, Directors, or other persons performing the services typically performed by a NEO or Director, at this time.

Oversight and Description of Director and Named Executive Officer Compensation

The compensation of NEOs are determined by both the Compensation and Human Resources Committee (the "**CHR Committee**") that oversee and implement the Corporation's compensation program and the Board of Directors that make decisions on Director and NEO compensation. The CHR Committee makes a recommendation to the Board of Directors on NEO and Directors remuneration on an annual basis and the Board of Directors make the final decision.

Named Executive Officers

Compensation for individual NEOs are set out in the table on page 2 of this Statement. The Board of Directors is solely responsible for the compensation program for the Corporation's executive officers. The deliberations of the Board of Directors are private and are intended to advance the following key objectives: (i) attract the most qualified and experienced executives available to create shareholder value and drive the continued development of the Corporation; and (ii) retain and motivate qualified and experienced executives and provide appropriate short-term and long-term financial incentives with the goal of increasing the Corporation's performance.

Compensation for the Corporation's NEOs consists of the following three components: (i) base salary or consulting fees; (ii) options granted pursuant to the Stock Option Plan; and (iii) discretionary cash bonus payments for superior performance. The relative weightings of base salary, options and discretionary bonuses payable to NEOs are reviewed and determined annually by the CHR Committee based on the Corporation's short and long-term corporate goals and the performance of the Corporation against those goals and the contribution of the executive officer to that performance. Each element of compensation is considered individually and in aggregate with each other element in determining the amount of each level of compensation that is considered appropriate having regard to the factors considered relevant to compensation of the Corporation's executive officers discussed above.

In establishing salary levels and bonus entitlements of the Corporation's executive officers, the Corporation takes into consideration factors such as current competitive market conditions, the particular skills of the executive officer, such as leadership ability and management effectiveness, internal equity, experience, responsibility and proven or expected performance of the particular executive officer.

The CHR Committee considers risks that might result from the type and weighting of the different elements of executive compensation. In particular, in the case of compensation under the Stock Option Plan, the CHR Committee considers the fact that option entitlements vest over 3 years, and that the consideration received by a holder of options is aligned with the interests of the Corporation and the Shareholders as it is determined by reference to any increase in the market price of the Corporation's Common Shares after the date of grant of the options.

The granting of options to the executive officers under the Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. Options are granted to executive officers in amounts which recognize their specific contribution to the Corporation in their capacities as executive officers of the Corporation. Previous grants of options to executive officers are taken into consideration by the Board of Directors when considering new option grants. Any amendments to the Stock Option Plan are subject to review by the CHR Committee and approval of the Board of Directors.

Directors

The compensation of the non-executive Directors, which includes a Director's fee of \$17,000 per annum, an extra \$4,000 per annum for the chairperson of the Audit Committee and an extra \$2,000 per annum for the chairpersons of the CHR Committee and the Corporate Governance Committee, respectively, a \$500 attendance fee per meeting (board and committee) and the granting of options under the Stock Option Plan, is determined by the Board of Directors. The payment of the Directors' fees recognizes their contributions to the Corporation as non-executive Directors and, where applicable, members of board committees. Directors who are also officers or employees of the Corporation were not paid any amount as a result of their serving as Directors.

Directors are reimbursed for travel and other out of pocket expenses incurred in attending Directors', committee and Shareholders' meetings. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such Directors for such services to arm's length parties. During the financial year of the Corporation ended December 31, 2021, no such compensation was paid to any Director of the Corporation or any of its subsidiaries.

The CHR Committee considers the grant of options to the non-executive Directors under the Stock Option Plan to provide an appropriate long-term incentive to these Directors to provide proper oversight to the Corporation with a view to maximizing shareholder value. Options are granted to independent Directors in amounts that recognize their specific contributions to the Corporation in their capacities as independent Directors and, where applicable, members of committees of the Board of Directors.

Pension Plan Benefits

The Company does not have a pension plan, retirement plan or a similar plan at this time.