

CF ENERGY CORP.
(the "Corporation")

Form 51-102F6V
Statement of Executive Compensation – Venture Issuers
(for the year ended December 31, 2022)

The following information, dated as of June 28, 2023 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, 2022 and 2021.

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, 2022 and 2021.

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 <i>Chief Executive Chair of the Board of Directors Officer and CEO (note 4)</i>	2022	259,745	-	-	-	-	259,745
	2021	222,618	-	-	-	-	222,618
Ling Cao <i>Chief Financial Officer (note 4)</i>	2022	140,938	-	-	-	-	140,938
	2021	92,544	-	-	-	-	92,544
Wencheng Zhang <i>Director (note 6)</i>	2022	40,450	-	4,000	-	-	44,450
	2021	40,106	-	3,500	-	-	43,606
Dan Liu <i>Director (note 5)</i>	2022	17,000	-	4,000	-	-	21,000
	2021	17,000	-	2,000	-	-	19,000
Hui Cai <i>Director (note 5)</i>	2022	17,000	-	4,000	-	-	21,000
	2021	17,000	-	3,500	-	-	20,500
Yongbiao Ding <i>Director (note 7)</i>	2022	21,000	-	4,000	-	-	25,000
	2021	21,000	-	4,000	-	-	25,000
Wong Wai Keung, Frederick <i>Director (note 8)</i>	2022	119,664	-	-	-	-	119,664
	2021	116,136	-	-	-	-	116,136

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, 2022.
- (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 0.1963 for 2022 and CAD 0.1943 for 2021.
- (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 0.1935 for 2022 and CAD 0.1943 for 2021.
- (7) Compensation entitlement is denominated in CAD and payment is in CAD.
- (8) Compensation entitlement is denominated in HKD and converted to CAD at the respective average rates of HKD 1 to CAD 0.1662 for 2022 and CAD 0.1613 for 2021.

Stock Options and Other Compensation Securities

During the year ended December 31, 2022, 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, 2022, none of the NEOs or other Directors of the Corporation exercised any options or other compensation securities.

Long-term Incentive Plan

The Corporation has in effect a long-term incentive plan (the “**LTIP**”) which was approved on December 23, 2022.

The LTIP’s purpose is to provide incentives or rewards to selected participants for their contribution to the Corporation and to enable the Corporation to recruit and retain high-calibre employees that are valuable to the Corporation. Under the LTIP, the Board of Directors may grant stock options (“**Stock Options**”), performance share units (“**PSUs**”), restricted share units (“**RSUs**”) and deferred share units (“**DSUs**”) to eligible participants including employees, senior officers and Directors (including executive and non-executive Directors) of the Corporation or any of its subsidiaries, suppliers, consultants and advisers who will contribute or have contributed to the Corporation to subscribe for common shares of the Corporation (“**Common Shares**”).

The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all stock options granted under the LTIP, together with all other established security-based compensation arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares at the time of granting the award (on a non-diluted basis). The Stock Option component of the LTIP is an “evergreen” plan, thus if the Corporation issues additional shares in the future, the number of the Common Shares issuable under the LTIP will increase accordingly.

The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards other than Stock Options, shall not exceed 10% of the issued and outstanding at the time of shareholder approval of the LTIP.

Some of the key provisions of the LTIP are as follows:

- the number of Common Shares issued to insiders (as a group) within a one-year period shall not exceed 10% of the issued and outstanding Common Shares.
- the number of Common Shares issuable to any one participant within a one-year period shall not exceed 5% of the issued and outstanding Common Shares,
- an award may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant’s personal representatives,

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, the Share Award Plan and the TLIP; 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, 2022, 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.