

CARCETTI CAPITAL CORP.
(the “Company”)

Form 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION
(for the financial year ended December 31, 2022)

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 Carcetti Capital Corp. All monetary amounts herein are expressed in United States dollars (“\$”) unless otherwise stated.

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**”) or each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) the chief financial officer of the Company (“**CFO**”) or each individual who, in respect of the company, 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 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 CAD\$150,000 for that financial year, as determined in accordance with subsection 1.3(5) of Form 51-102F6V; 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 most recently completed financial year ended December 31, 2022, 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 two most recently completed financial years ended December 31, 2022 and December 31, 2021.

Table of compensation excluding compensation securities							
Name and position	Year Ended December 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Patrick McGrath⁽²⁾ <i>Former CEO and Director</i>	2022	138,330	60,000	Nil	Nil	Nil	198,330
	2021	137,046	12,000	Nil	Nil	Nil	149,046
Eugene Chaban⁽³⁾ <i>Former CFO and Director</i>	2022	98,285	110,900	Nil	Nil	Nil	209,185
	2021	109,405	Nil	Nil	Nil	Nil	109,405
Tim Marchant⁽⁴⁾ <i>Former Chairman and Director</i>	2022	46,110	Nil	Nil	Nil	Nil	46,110
	2021	30,897	Nil	Nil	Nil	Nil	30,897
J. Frank Mermoud⁽⁵⁾ <i>Former Director</i>	2022	38,425	Nil	Nil	Nil	Nil	38,425
	2021	43,225	Nil	Nil	Nil	Nil	43,225
Sergey Panchuk⁽⁶⁾ <i>Former COO</i>	2022	90,632	80,000	Nil	Nil	Nil	170,632
	2021	148,211	Nil	Nil	Nil	Nil	148,211

Notes:

- (1) The Company's financial statements are presented in United States dollars ("US\$"). Where amounts were paid in Canadian dollars or Ukrainian hryvnia, they have been converted to US\$ for this table. Effective July 1, 2021, the Directors' compensation was an annual fee of CAD\$50,000 and CAD\$60,000 fee for the chairman.
- (2) Mr. McGrath served as CFO from 2013 to February 2, 2021, and served as CEO from February 2, 2021 to May 30, 2023. He is paid by the Company pursuant to a consulting agreement effective October 1, 2018. Mr. McGrath was appointed as a Director on April 21, 2020 and resigned on May 30, 2023. He receives no compensation for his services as a Director. Mr. McGrath is paid in Canadian dollars and converted to US\$ for this table.
- (3) Mr. Chaban served as CFO on February 2, 2021 to May 30, 2023. Mr. Chaban was appointed as a Director of the Company on March 23, 2021 and resigned on May 30, 2023. He receives no compensation for his services as a Director. Mr. Chaban is paid in Ukrainian hryvnia and US\$ and converted to US\$ for this table.
- (4) Mr. Marchant was appointed as a Director and Chairman of the Board of Directors, effective May 18, 2021. Mr. Marchant resigned on February 28, 2023.
- (5) Mr. Mermoud was appointed as a Director on July 5, 2012 and resigned on April 19, 2023.
- (6) Mr. Panchuk is paid in Ukrainian hryvnia and converted to US\$ for this table.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to each director and NEO by the Company or its subsidiaries in the Company's most recently completed financial year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year ended December 31, 2022.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Company's stock option plan (the "**Stock Option Plan**") was previously approved by the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Shareholders held on December 19, 2022. The Stock Option Plan is required to be approved at the next annual general meeting of the Shareholders.

The Stock Option Plan provides that the Board of the Directors (the "**Board**") may grant options to directors, officers, key employees, consultants and, if applicable, management company employees for the purchase of common shares of the Company ("**Common Shares**") at prices determined in accordance with TSX Venture Exchange rules. The Stock Option Plan is a "rolling" option plan, meaning that the number of additional Common Shares that may be reserved for issue on the grant of options is a maximum of 10% of the issued and outstanding Common Shares from time to time.

The maximum amount of stock options that may be granted must not exceed 10% of the total number of Common Shares issued and outstanding (on a non-diluted basis) and the aggregate number of stock options granted in any 12-month period to any one person cannot exceed 5% of the total number of issued and outstanding Common Shares (on a non-diluted basis). Conditions relating to the vesting and expiry of stock options are set by the directors at the time of granting, however, stock options must expire no later than ten years after the date of grant.

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

Eligible Participants. Options may be granted under the Stock Option Plan to directors and officers of the Company or its subsidiaries, (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, in its discretion, determines which of the Directors, Employees or Consultants will be awarded options under the Stock Option Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of options (including all options granted by the Company prior to the adoption of the Stock Option Plan and under the Stock Option Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Stock Option Plan.

Exercise Price. The exercise price of any stock options granted under the Stock Option Plan shall be determined by the Board, but may not be less than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options, pursuant to the policies of the TSX Venture Exchange.

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 or regulatory sanction;
- (c) three months from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) on such other date as fixed by the Board, provided that the date is no more than three months from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Employment, Consulting and Management Agreements

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the Company's most recently completed financial year ended December 31, 2022 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

Pursuant to his consulting agreement, Mr. McGrath was paid a monthly fee of CAD\$13,400 and an additional fee of CAD\$150/hour for every hour over 90 hours in a calendar month. The monthly fee was increased to CAD\$15,000 on July 1, 2021 in conjunction with the appointment as Chief Executive Officer. The Company may terminate the consulting agreement at any time, with or without cause, by providing him with a minimum of 90 days' notice.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Discussion and Analysis

During the year ended December 31, 2022, the Company's Compensation, Nominating and Governance Committee (the "**Compensation, Nominating and Governance Committee**") comprised of two directors, Frank Mermoud (Chair) and Timothy Marchant.

One of the mandates of the Compensation, Nominating and Governance Committee is to assist the Board in the review and approval of compensation matters. The Compensation, Nominating and Governance Committee makes specific recommendations regarding compensation of the Company's directors and the CEO and CFO ("**Executive Officers**").

Objectives of the Compensation Program

The Company's compensation program has been designed to attract, retain and inspire highly qualified and motivated individuals, and to provide fair and competitive compensation in accordance with industry standards and with the individual's expertise and experience.

Overview of the Compensation Philosophy

The following principles guide the Company's overall compensation philosophy with respect to its Executive Officers:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, high-achievers;
- (b) calculating total compensation is set with reference to the market for similar jobs in similar locations;
- (c) an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;
- (d) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (e) the Company supports reasonable expenses in order that employees continuously maintain and enhance their skills.

The Board is given discretion to determine and adjust, year to year, the relative weighting of each form of compensation discussed above in a manner which best measures the success of the Company and its Executive Officers.

Compensation of all Executive Officers is based primarily on corporate performance, which includes achievement of the Company's strategic objective of growth and the enhancement of Shareholder value.

The Compensation Review Process

The form and amount of compensation payable to Executive Officers and directors is evaluated by the Compensation, Nominating and Governance Committee and is guided by the following goals:

- (a) compensation should be commensurate with the time spent by the executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company;
- (b) the Company's compensation program should fairly compensate and motivate the executive officers and directors; and
- (c) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

To determine compensation payable, the Compensation, Nominating and Governance Committee reviews compensation paid to executive officers and directors of companies of similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executive officers and directors while taking into account the financial and other resources of the Company.

Base Salary

Salaries form the primary component of the Company's compensation program for its Executive Officers. Salary levels are determined with reference to market comparables for similar positions, as well as the performance of the executive, the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive and the financial resources of the Company.

Bonus Plan

For the year ended December 31, 2022, the Compensation, Nominating and Governance Committee agreed to award bonuses at the discretion of the Committee and the Board. A bonus plan was established in 2021 to incentivize and retain key executives and tied to the successful divestiture of the Company's assets in Ukraine.

Stock Option Plan

The Company has in effect a Stock Option Plan in order to provide effective incentives to directors, officers, senior management personnel, employees and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company currently has no equity compensation plans other than the Stock Option Plan (discussed above). The Stock Option Plan is an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the common shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive officer's long-term contribution to the Company will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants.

Other Compensation Matters

Other than as specifically set forth above, the Company, at present, does not propose to pay any other long-term incentive awards to its executive officers. The Company at present does not propose to establish any supplemental executive retirement plans, pension plans or disability benefits for the directors or the executive officers.

Director Compensation

During the year ended December 31, 2022, the Board was comprised of four directors. Effective July 1, 2021, the Directors' compensation was set to an annual retainer of CAD\$50,000 for independent directors and CAD\$60,000 fee for the chairman. From time to time, the Board, in its discretion, may also compensate directors with fees for their services on Board projects or special Committees of the Board. Board members are also eligible to participate in the Stock Option Plan and any other long-term compensation plans adopted by the Company from time to time. The Company will reimburse directors for all reasonable expenses incurred in order to attend meetings.

The Company maintains a director and officer liability insurance policy pursuant to which directors and officers are insured for liabilities which may arise from the conduct of their activities on behalf of the Company.

Pension Plan Benefits

The Company does not have in place any pension plans that provide for payments or benefits at, following, or in connection with retirement.

ADDITIONAL INFORMATION

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

DATED this 28th day of June, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

“Glenn Kumoi”

Glenn Kimoi
Chief Executive Officer