

FORM 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

General

For the purpose of this Statement of Executive Compensation:

“Company” means **“TruTrace Technologies Inc.”**

“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 Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“NEO” or **“named executive officer”** means:

- (a) each individual who served as chief executive officer (**“CEO”**) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (**“CFO”**) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, 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, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Robert Galarza ⁽²⁾ CEO, interim CFO and Director	2021 2020	150,000 150,000	Nil Nil	Nil Nil	Nil Nil	Nil 35,000	150,000 185,000
Thomas Stephenson ⁽³⁾ Chief Technology Officer	2021 2020	150,000 150,000	Nil Nil	Nil Nil	Nil Nil	Nil 35,000	150,000 185,000
Swapan Kakumanu ⁽⁴⁾ Former Chief Financial Officer and Director	2021 2020	Nil 5,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 5,000
Cesare Fazari ⁽⁵⁾ Director	2021 2020	18,000 2,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	18,000 2,500
Cameron Chell ⁽⁶⁾ Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 20,000	Nil 20,000
Michael Kraft ⁽⁷⁾ Director	2021 2020	18,000 18,000	Nil Nil	Nil Nil	Nil Nil	Nil 20,000	18,000 38,000
James Carter ⁽⁸⁾ Director	2021 2020	9,300 15,000	Nil Nil	Nil Nil	Nil Nil	Nil 20,000	9,300 35,000
Allan O’Dette ⁽⁹⁾ Director	2021 2020	8,700 Nil	Nil Nil	Nil Nil	Nil Nil	91,800 Nil	100,500 Nil
Pradeep Sood ⁽¹⁰⁾ Director	2021 2020	8,700 Nil	Nil Nil	Nil Nil	Nil Nil	61,200 Nil	69,900 Nil

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	Expiry Date
Michael Kraft Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Allan O' Dette Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pradeep Sood Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

As at April 30, 2021:

- (a) Robert Galarza, the CEO, interim CFO and director of the Company, owns an aggregate of 975,000 compensation securities of which 58,333 remain unvested. The compensation securities are comprised solely of stock options, each of which is exercisable into one common share. Of these, 800,000 are exercisable at a price of \$0.30 per share until May 18, 2023 and 175,000 are exercisable at a price of \$0.25 per common share until July 30, 2024;
- (b) Thomas Stephenson, the CTO and director of the Company, owns an aggregate of 975,000 compensation securities of which 58,333 remain unvested. The compensation securities are comprised solely of stock options, each of which is exercisable into one common share. Of these, 800,000 are exercisable at a price of \$0.30 per Share until May 18, 2023 and 175,000 are exercisable at a price of \$0.25 per Share until July 30, 2024;
- (c) Cameron Chell, a former director of the Company, owned an aggregate of 866,667 compensation securities, comprised solely of stock options, each of which is exercisable into one common share. Of these, 800,000 are exercisable at a price of \$0.30 per common share until February 18, 2022 and 66,667 are exercisable at a price of \$0.25 per common share until May 22, 2021;
- (d) Michael Kraft, a director of the Company, owns an aggregate of 900,000 compensation securities of which 33,333 remain unvested. The compensation securities are comprised solely of stock options, each of which is exercisable into one Share. Of these, 800,000 are exercisable at a price of \$0.30 per common share until May 18, 2023 and 100,000 are exercisable at a price of \$0.25 per Share until July 30, 2024; and
- (e) Allan O' Dette, a director of the Company, owns an aggregate of 600,000 compensation securities of which 75,000 remain unvested. The compensation securities are comprised solely of stock options, each of which is exercisable into one Share. All of these are exercisable at a price of \$0.155 per Share until February 18, 2026.
- (f) Pradeep Sood, a director of the Company, owned an aggregate of 400,000 compensation

securities, comprised solely of stock options, each of which was exercisable into one common share. Subsequent to April 30, 2021, all of these have been voluntarily returned to the Company and cancelled.

Exercise of Compensation Securities by Directors and NEOs

The following table sets out each exercise by a director or NEO of compensation securities during the year ended April 30, 2021:

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised (#)	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Robert Galarza CEO, Interim CFO and Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Stephenson CTO	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Cesare Fazari Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Cameron Chell Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Michael Kraft Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Allan'O Dette Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Pradeep Sood Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "Plan"), which it adopted in 2018, is a "fixed" number stock option plan, whereby the aggregate number of common shares reserved for issuance, together with any other common shares reserved for issuance under any other plan or agreement of the Company, is fixed at 16,000,000 Common shares. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase common shares. As at October 28, 2021, there were 8,350,000 options outstanding under the Plan.

The purpose of the Plan is to give to Eligible Persons (as defined in the Plan) the opportunity to participate in the success of the Company by granting to such individuals options to acquire common shares of the Company

in accordance with the terms of the plan, thereby giving such Eligible Persons an ongoing proprietary interest in the Company.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which is attached as Schedule "E" to the Company's filing statement dated May 10, 2018, which was filed under the Company's profile on SEDAR on May 14, 2018 and is available at www.sedar.com:

1. The Board shall establish the exercise price at the time each Option is granted, subject to the following conditions:
 - (a) the exercise price will not be less than the minimum prevailing price permitted by applicable stock exchange policies;
 - (b) if the Shares are not listed, posted and trading on any stock exchange or bulletin board, then the exercise price will be determined by the Board at the time of granting;
 - (c) if an option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by applicable stock exchange and the per share price paid by public investors for Shares acquired under the distribution by the prospectus, with the 90day period beginning on the date a final receipt is issued for the prospectus; and
 - (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.
2. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated option shall again be available for a grant under the Plan.
3. No option granted under the Plan may have an expiry date exceeding ten years from the date on which the option is granted (unless automatically extended as a result of a blackout period).
4. Options granted to any one individual in any 12-month period cannot exceed more than 5% of the issued Shares, unless the Company has obtained disinterested shareholder approval.
5. Options granted to any one consultant in any 12-month period cannot exceed more than 2% of the issued Shares, without the prior consent of the applicable stock exchange.
6. Options granted to all persons, in aggregate, conducting investor relations activities in any 12-month period cannot exceed more than 2% of the issued Shares, without the prior consent of the applicable stock exchange.
7. Options issued to optionees performing investor relations activities will vest in stages over 12 months with no more than one quarter of the options vesting in any three-month period.
8. If a director, employee or consultant of the Company is terminated for cause, then any option granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant of the Company by reason of termination for cause.
9. If an option holder ceases to be a director, employee or consultant of the Company (other than

by reason of death, disability or termination of services for cause), or if an optionee resigns, as the case may be, then any option granted to the holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the holder ceases to be a director, employee or service provider of the Company.

10. If the engagement of an option holder engaged in investor relations activities as a consultant is terminated for any reason other than cause, disability or death, any option granted to such holder that was exercisable and had vested on the date of termination will be exercisable until the earlier of the expiry date and the date that is 30 days after the effective date of the holder ceasing to be a consultant.
11. If an option holder dies, the holder's lawful personal representatives, heirs or executors may exercise any option granted to the holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the holder.
12. If an option holder ceases to be a director, employee or consultant of the Company as a result of a disability, the holder may exercise any option granted to the holder that had vested and was exercisable on the date of disability until the earlier of the expiry date and one year after the date of disability.
13. Options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
14. The Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Plan to any eligible party, including themselves.
15. Options granted under the Plan shall not be assignable or transferable by an option holder.
16. The Board may from time to time, subject to regulatory or shareholder approval, amend or revise the terms of the Plan.

The Plan provides that other terms and conditions may be attached to a particular option at the discretion of the Board.

Employment, Consulting and Management Agreements

Other than as set forth below, the Company is not party to any formal, written employment, consulting or management agreements with any NEO or director.

Executive Employment Agreement with Robert Galarza

Pursuant to an executive employment agreement dated May 17, 2018, between Robert Galarza and the Company, Mr. Galarza serves as the CEO of the Company for a: (i) base salary of \$150,000 per annum (the "Base Salary") and a signing bonus of \$32,000 payable on the effective date of the agreement. Under the agreement, the Company may pay Mr. Galarza an annual discretionary performance bonus, in the sole discretion of the Board, based on the achievement of the Company's annual short-term and long-term performance goals and objectives as set by the Board for each fiscal year. Mr. Galarza was granted 800,000 stock options exercisable at a price of \$0.30 per common share until May 18, 2023 and 175,000 stock options exercisable at a price of \$0.25 per common share until July 30, 2024. Mr. Galarza may also be eligible to receive

additional stock option grants or awards under other equity-based incentive plans from time to time. The agreement is for a period of one year and is automatically renewable on each one year anniversary unless earlier terminated. If Mr. Galarza terminates his employment for any reason other than for just cause, the Company will pay Mr. Galarza any unpaid base salary earned but unpaid. If the Company terminates Mr. Galarza's employment for any reason other than for just cause, the Company will pay Mr. Galarza a one-time lump sum payment (the "Severance Payment") to be paid as follows:

- (i) where Mr. Galarza has completed less than two years of continuous services with the Company, an amount equal to six months of the Base Salary at such time, plus any earned annual bonus and earned entitlement under any bonus programs ("AIP") or long-term incentive plan ("LTIP") offered by the Company, and granted to Mr. Galarza prior to the date of termination which have not been paid, plus any accrued but unpaid vacation;
- (ii) where Mr. Galarza has completed two years of continuous service with the Company but less than five years of service with the Company, an amount equal to 12 months of the Base Salary at such time, plus any earned annual bonus and earned entitlement under any AIP or other LTIP and granted to Mr. Galarza prior to the date of termination which have not been paid, plus any accrued but unpaid vacation, plus a payment in lieu of further AIP and LTIP payments in an amount which shall be equal to one times Mr. Galarza's average annual target AIP and LTIP payment for the year immediately preceding the year in which the date of termination occurs;
- (iii) where Mr. Galarza has completed five years of continuous service or in excess of five years of service with the Company, an amount equal to 24 months of the Base Salary at such time, plus any earned annual bonus and earned AIP or LTIP entitlements) and granted to Mr. Galarza prior to the date of termination which have not been paid, plus any accrued but unpaid vacation, plus a payment in lieu of further AIP and LTIP payments in an amount which shall be equal to two times Mr. Galarza's average annual target AIP and LTIP payment for the year immediately preceding the year in which the date of termination occurs; and
- (iv) reimbursement of expenses incurred up to the date of termination in accordance with the Company's Expense Policy.

Independent Consulting Agreement with Thomas Stephenson

Pursuant to an independent consulting agreement dated May 17, 2018, between Thomas Stephenson and the Company, Mr. Stephenson serves as the chief technology officer of the Company for a: (i) signing bonus of \$32,000 payable on the effective date of the agreement and (ii) a cash compensation of \$12,500 per month (the "Monthly Fee"), payable within 15 days of the end of each calendar month. Mr. Stephenson was granted 800,000 stock options exercisable at a price of \$0.30 per common share until May 18, 2023 and 175,000 stock options exercisable at a price of \$0.25 per common share until July 30, 2024. Mr. Stephenson may also be eligible to receive additional stock option grants or awards under other equity based incentive plans from time to time. The agreement is for a period of one year and is automatically renewable on each one year anniversary unless earlier terminated. If Mr. Stephenson terminates his employment for any reason other than for just cause, the Company will pay Mr. Stephenson any unpaid base salary earned but unpaid. If the Company terminates Mr. Stephenson's employment for any reason other than for just cause, the Company will pay Mr. Stephenson a one-time lump sum to be paid as follows:

- (i) where Mr. Stephenson has completed less than two years, an amount equal to six months of the Monthly Fee at such time, plus any earned compensation as determined by the Board (or the Compensation Committee thereof), and granted to Mr. Stephenson prior to the date of termination which has not been paid;

- (ii) where Mr. Stephenson has completed two years of continuous service with the Company but less than five years of service with the Company, an amount equal to 12 months of the Monthly Fee at such time, plus any earned compensation as determined by the Board (or the Compensation Committee thereof), and granted to Mr. Stephenson prior to the date of termination which has not been paid;
- (iii) where Mr. Stephenson has completed five years of continuous service or in excess of five years of service with the Company, an amount equal to 24 months of the Monthly Fee at such time, plus any earned compensation as determined by the Board (or the Compensation Committee thereof) and granted to Mr. Stephenson prior to the date of termination; and reimbursement of expenses incurred up to the date of termination in accordance with the Company's Expense Policy.

Oversight and Description of Director and NEO Compensation

The Board appointed a compensation committee (the “Compensation Committee”) consisting of Cesare Fazari and Michael Kraft. All tasks related to developing and monitoring the Company’s approach to the compensation of the Company’s NEOs and directors are performed by the Compensation Committee in consultation with the Board. The compensation of the NEOs, directors and the Company’s employees or consultants, if any, is reviewed, recommended and approved by the Compensation Committee in consultation with the Board.

The overall objective of the Company’s compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard.

Executive officers’ compensation is currently composed of two major components: a short term compensation component, which includes the payment of management fees to certain NEOs, and a long- term compensation component, which includes the grant of stock options under the Plan. Management fees primarily reward recent performance and incentive stock options encourage NEOs and directors to continue to deliver results over a longer period of time and serve as a retention tool. The Company intends to further develop these compensation components.

The management fee for each NEO, as applicable, is determined by the Board based on the level of responsibility and experience of the individual, the relative importance of the position to the Company, the professional qualifications of the individual and the performance of the individual over time.

The second component of the executive officers’ compensation is stock options. The objectives of the Company’s compensation policies and procedures are to align the interests of the Company’s employees with the interests of the shareholders of the Company. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance.

Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the performance of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The Company relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance

goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The NEOs' performances and salaries or fees are to be reviewed periodically. Increases in management fees are to be evaluated on an individual basis and are performance and market-based. The Company does not use a "peer group" to determine compensation.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.