YERBAÉ BRANDS CORP.
(the "**Company**")

STATEMENT OF EXECUTIVE COMPENSATION
Form 51-102F6V
Statement of Executive Compensation – Venture Issuers

General

"**Company**" means Yerbaé Brands Corp.;

"**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 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**named executive officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a 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 NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not 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

On February 8, 2023, the Company completed a reverse takeover transaction ("**RTO**") with Yerbaé Brands Co. ("**Yerbaé US**") as disclosed in the Company's information circular dated November 13, 2022. On closing of the RTO, the Company's financial year end was changed from September 30th to December 31st, and certain changes to the NEOs of the Company were made. Ron Schmitz resigned as CEO, Corporate Secretary and director of the Company, Gurdeep Phachu resigned as CFO of the Company and Scott Davis resigned as a director of the Company. On the same date, Todd Gibson was appointed as the CEO and a director, Karrie Gibson was appointed as the Chief Operating Officer and a director, William Finn was appointed as the CFO, Renata Kubicek was appointed as the Corporate Secretary and each of Carl Sweat and Andrew Dratt were appointed as directors of the Company. Rose Zanic remains a director of the Company.

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company and Yerbaé US, 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 or any subsidiary thereof for each of the two most recently completed financial years of each of the Company and Yerbaé US, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites[(1)] ($)	Value of All Other Compensation ($)	Total Compensation ($)
Todd Gibson[(2)] *CEO and Director*	2023[(17)] 2022[(17)]	374,541[(19)] 130,190[(20)]	Nil Nil	Nil Nil	Nil Nil	1,320,356[(19)] Nil	1,694,897 130,190
Karrie Gibson[(3)] *Chief Operating Officer and Director*	2023[(17)] 2022[(17)]	342,096[(19)] 130,190 [(20)]	Nil Nil	Nil Nil	Nil Nil	1,173,649[(19)] Nil	1,515,746 130,190
Seth Smith[(4)] *Vice President Sales*	2023[(17)] 2022[(17)]	338,578[(19)] 234,342[(20)]	Nil Nil	Nil Nil	Nil Nil	548,679[(19)] Nil	887,256 234,342
Nick Cranny[(5)] *Former Director of Finance and former interim CFO*	2023[(17)] 2022[(17)]	197,627[(19)] 143,209[(20)]	Nil Nil	Nil Nil	Nil Nil	210,519[(19)] Nil	408,147 143,209
William Finn[(6)] *Former CFO*	2023[(17)] 2022[(17)]	152,820[(19)] Nil	Nil Nil	Nil Nil	Nil Nil	187,068[(19)] Nil	339,888 Nil
Ron Schmitz[(7)] *Former CEO, Corporate Secretary and Director*	2023[(17)] 2022[(18)]	Nil 48,970[(8)]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 48,970
Gurdeep Phachu[(9)] *Former CFO*	2023[(17)] 2022[(18)]	Nil 6,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 6,000

Rose Zanic[10] *Director*	2023[17] 2022[18]	Nil 14,625[11]	Nil Nil	Nil Nil	Nil Nil	208,321[19] Nil	208,321 14,625
Andrew Dratt[12] *Director*	2023[17] 2022[17]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	208,321[19] Nil	208,321 Nil
Carl Sweat[13] *Director*	2023[17] 2022[17]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	208,321[19] Nil	208,321 Nil
Maruf Raza[14] *Director*	2023[17] 2022[17]	Nil N/A	Nil N/A	Nil N/A	Nil N/A	68,447[19] N/A	68,447 N/A
Scott Davis[15] *Former Director*	2023[17] 2022[18]	Nil[16] 6,000[16]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 6,000

(1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) $15,000, if the NEO or director's total salary for the financial year is $150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than $150,000 but less than $500,000, or (c) $50,000 if the NEO or director's total salary for the financial year is $500,000 or greater.

(2) Todd Gibson was the CEO and a director of Yerbae US from January 1, 2017 to February 7, 2023. He has been the CEO and a director of the Company since February 8, 2023.

(3) Karrie Gibson was the Chief Operating Officer and a director of Yerbae US from January 1, 2017 to February 7, 2023. She has been the Chief Operating Officer and a director of the Company since February 8, 2023 and the CFO of the Company since March 15, 2024.

(4) Seth Smith was the Vice President of Sales of Yerbae US from July 18, 2018 to February 7, 2023. He has been the Vice President of Sales of the Company since February 8, 2023.

(5) Nick Cranny was the Director of Finance of Yerbae US from January 1, 2020 to February 7, 2023 and the interim CFO of the Company from June 30, 2023 to March 15, 2024.

(6) William Finn was the CFO of the Company from February 8, 2023 to June 30, 2023.

(7) Ron Schmitz was the CEO and Corporate Secretary of the Company from March 22, 2021 to February 8, 2023 and a director of the Company from December 17, 2020 to February 8, 2023.

(8) Paid to ASI Accounting Services Inc., a company that Mr. Schmitz is the President.

(9) Gurdeep Phachu was the CFO of the Company from April 9, 2021 to February 8, 2023.

(10) Rose Zanic has been a director of the Company since March 22, 2021.

(11) Paid to RCF Advisors Ltd., a company that Ms. Zanic is the President.

(12) Andrew Dratt has been a director of the Company since February 8, 2023.

(13) Carl Sweat was a director of the Company from February 8, 2023 to March 25, 2024.

(14) Maruf Raza has been a director of the Company since March 25, 2024.

(15) Scott Davis was a director of the Company from April 9, 2021 to February 8, 2023.

(16) Paid to Cross Davis & Company, a company that Mr. Davis is a partner of.

(17) Year ended December 31st.

(18) Year ended September 30th.

(19) US dollars converted to CDN dollars at the exchange rate of 1.3497 in the year ended December 31, 2023 which exchange rate was the average exchange rate used for the financial reporting purposes for 2023.

(20) US dollars converted to CDN dollars at the exchange rate of 1.3019 in the year ended December 31, 2022 which exchange rate was the average exchange rate used for the financial reporting purposes for 2022.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended December 31, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

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**
Todd Gibson *CEO and Director*	Stock Options(1)	244,565/244,565/ 11.42%	March 10, 2023	CDN1.60 (US1.16)(5)	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	March 10, 2030
	Restricted Share Units(2)	244,565/244,565/ 26.07%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
	Performance Share Units(3)	244,565/244,565/ 26.17%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
Karrie Gibson *Chief Operating Officer and Director*	Stock Options(1)	217,391/217,391/ 10.16%	March 10, 2023	CDN1.60 (US1.16)(5)	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	March 10, 2030
	Restricted Share Units(2)	217,391/217,391/ 23.17%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
	Performance Share Units(3)	217,391/217,391/ 23.26%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
Seth Smith *Vice President Sales*	Stock Options(1)	217,391/217,391/ 10.16%	March 10, 2023	CDN1.60 (US1.16)(5)	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	March 10, 2030
	Performance Share Units(3)	108,695/108,695/ 11.63%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
Nick Cranny *Former CFO*	Stock Options(1)	67,934/67,934/ 3.18%	March 10, 2023	CDN1.60 (US1.16)(5)	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	March 10, 2030
	Performance Share Units(3)	54,347/54,347 5.82%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
William Finn *Former CFO*	Stock Options(1)	95,000/95,000 9.14%(4)	March 10, 2023	CDN1.60 (US1.16)(5)	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	March 10, 2030
	Restricted Share Units(2)	20,000/20,000 2.14%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
	Performance Share Units(3)	N/A	N/A	N/A	N/A	N/A	N/A
Ron Schmitz *Former CEO, Corporate Secretary and Director*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gurdeep Phachu *Former CFO*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rose Zanic *Director*	Restricted Share Units(1)	108,695/108,695 11.59%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
Andrew Dratt *Director*	Restricted Share Units(1)	108,695/108,695 11.59%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A

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
Maruf Raza *Director*	Restricted Share Units(1)	35,714/35,714	N/A	N/A	CDN1.96 (US1.42)(5)	N/A	N/A
Carl Sweat *Director*	Restricted Share Units(1)	108,695/108,695 11.59%	March 10, 2023	N/A	CDN1.96 (US1.42)(5)	CDN1.59 (US1.20)(6)	N/A
Scott Davis *Former Director*	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Each stock option vests as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant.

(2) Each restricted share unit vests after 12 months from the date of award.

(3) Each performance share unit vests contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

(4) 100,652 of these stock options were cancelled on July 21, 2023.

(5) Based on the Bank of Canada exchange rate of 1.3807 on March 10, 2023.

(6) Based on the Bank of Canada exchange rate of 1.3226 on December 29, 2023.

As at December 31, 2023:

Todd Gibson, the CEO and a director of the Company, owned an aggregate of 733,694 compensation securities, comprised of stock options, restricted share units and performance share units. 244,565 stock options are exercisable into one common share of the Company (each, a "**Share**") at a price of US$1.16 per Share until March 10, 2030 and vest as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant. 244,565 restricted share units vest into Shares after 12 months from the date of award. 244,565 performance share units vest into Shares contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

Karrie Gibson, the Chief Operating Officer, CFO and a director of the Company, owned an aggregate of 652,173 compensation securities, comprised of stock options, restricted share units and performance share units. 217,391 stock options are exercisable into one Share at a price of US$1.16 per Share until March 10, 2030 and vest as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant. 217,391 restricted share units vest into Shares after 12 months from the date of award. 217,391 performance share units vest into Shares contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

Seth Smith, the Vice President of Sales of the Company, owned an aggregate of 326,086 compensation securities, comprised of stock options and performance share units. 217,391 stock options are exercisable into one Share at a price of US$1.16 per Share until March 10, 2030 and vest as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant. 108,695 performance share units vest into Shares contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

Nick Cranny, the former CFO of the Company, owned an aggregate of 122,281 compensation securities, comprised of stock options and performance share units. 67,934 stock options are exercisable into one Share at a price of US$1.16 per Share until March 10, 2030 and vest as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant. 54,347 performance share units vest into Shares contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

William Finn, the former CFO of the Company, owned an aggregate of 212,826 compensation securities, comprised of stock options, restricted share units and performance share units. 95,000 stock options are exercisable into one Share at a price of US$1.16 per Share until March 10, 2030 and vest as to: (i) 25% 15 months after the date of grant, (ii) 25% 18 months after the date of grant, (iii) 25% 21 months after the date of grant and (iv) 25% 24 months after the date of grant. 20,000 restricted share units vest into Shares after 12 months from the date of award. 97,826 performance share units vest into Shares contingent upon and at the time the Company reaches US$12,500,000 in net sales for the fiscal year 2023 and 12 months from the date of award.

Ron Schmitz, the former CEO, Corporate Secretary and director of the Company, did not own any compensation securities.

Gurdeep Phachu, the former CFO of the Company, did not own any compensation securities.

Rose Zanic, a director of the Company, owned an aggregate of 108,695 compensation securities, comprised solely of restricted share units which vest into Shares after 12 months from the date of award.

Andrew Dratt, a director of the Company, owned an aggregate of 108,695 compensation securities, comprised solely of restricted share units which vest into Shares after 12 months from the date of award.

Carl Sweat, a director of the Company, owned an aggregate of 108,695 compensation securities, comprised solely of restricted share units which vest into Shares after 12 months from the date of award.

Maruf Raza, a director of the Company, did not own any compensation securities.

Scott Davis, a former director of the Company, did not own any compensation securities.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors and NEOs during the year ended December 31, 2023.

Stock Option Plans and Other Incentive Plans

The Company's current equity incentive plan (the "**Plan**") is a rolling plan for stock options ("**Options**") and a fixed 10% plan for restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**" and, together with RSUs and DSUs "**Performance-Based Awards**") such that the aggregate number of common shares of the Company (each, a "**Share**") that: (i) may be issued upon the exercise or settlement of Options granted under the Plan, shall not exceed 10% of the Company's issued and outstanding Shares from time to time, and (ii) may be issued in respect of Performance-Based Awards shall not exceed 5,455,121. Under the Plan, settled or terminated Shares shall be available for subsequent grants under the Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

Purpose

The purpose of the Plan is to promote the long-term success of the Company and the creation of shareholder value by: (i) encouraging the attraction and retention of eligible persons; (ii) encouraging such eligible persons to focus on critical long-term objectives; and (iii) promoting greater alignment of the interests of such eligible persons with the interests of the Company.

The Plan provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, PSUs and DSUs to eligible persons.

Participation Limits

The Plan provides that:

(a) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to insiders under the Plan, within any 12 month period and at any point in time under Plan, together with Shares reserved for issuance to Insiders under all of the Company's other Security-Based Compensation Arrangements (as defined in the Plan), shall not exceed 10% of the issued and outstanding Shares (calculated as at the date of any grant);

(b) unless the Company has obtained disinterested shareholder approval, the maximum aggregate number of Shares issuable to any participant (as defined in the Plan) under the Plan, within any 12 month period, together with Shares reserved for issuance to such participant (and to Companies wholly-owned by that participant) under all of the Company's other Security-Based Compensation Arrangements, shall not exceed 5% percent of the issued and outstanding Shares (calculated as at the date of any grant);

(c) the maximum aggregate number of Shares issuable to any one consultant (as defined in the Plan) under the Plan, within any 12 month period, together with all other Security-Based Compensation Arrangements, shall not exceed 2% percent of the issued and outstanding Shares (calculated as at the date of any grant); and

(d) the maximum aggregate number of Shares issuable pursuant to grants of Options to all investor relation service providers performing investor relations activities under the Plan, within any 12 month period, shall not in aggregate exceed 2% percent of the issued and outstanding Shares (calculated as at the date of any grant). For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the Plan; they are not eligible to receive any Performance-Based Award or other type of securities based compensation under the Plan.

Administration of the Plan

The Plan shall be administered by the board of directors of the Company (the "**Board**") or by a committee to which the Board has delegated specific authority (and, for further clarity, not by the board of directors of any subsidiary of the Company) and the Board shall have full authority to administer the Plan, including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Board may deem necessary in order to comply with the requirements of the Plan.

Eligible Persons under the Plan

When used in connection with the grant of Options, all officers, directors, employees, management company employees and consultants of the Company are eligible to participate in the Plan. When used in connection with the grant of Performance-Based Awards, all officers, directors, employees, management company employees and consultants of the Company that do not perform investor relations activities are eligible to participate in the Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Plan will be determined in the sole and absolute discretion of the Board. Each person who receives a grant under the Plan is referred to as a "**Participant**".

Types of Awards

Awards of Options, RSUs, PSUs and DSUs may be made under the Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Plan, and will generally be evidenced by an award agreement.

Options

Each Option entitles a holder thereof to purchase a prescribed number of Shares at an exercise price determined by the Board at the time of the grant of the Option, which includes an Option that qualifies as an incentive stock option ("**ISO**") within the meaning of Sectio 422 of the United States *Internal Revenue Code of 1986*, as amended, and the applicable U.S. Treasury Regulations (the "**Code**"), provided that the exercise price of an Option granted under the Plan shall not be less than the Discounted Market Price (as defined in the policies of the TSX Venture Exchange (the "**TSXV**")), provided that if an Option is proposed to be granted by the Company after the Company has just been recalled for trading following a suspension or halt, the Company must wait at least 10 trading days since the day on which trading in the Company's securities resumes before setting the exercise price for and granting the Option. Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the date of grant of the Option. The Board may, in its absolute discretion, upon granting Options under the Plan, specify different time periods following the dates of granting the Options during which the Participant may exercise their Options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each Participant may exercise Options during each respective time period. Subject to the discretion of the Board, the Options granted to a Participant under the Plan shall vest as determined by the Board on the date of grant of such Options. If the Board does not specify a vesting schedule at the date of grant, then Options granted to persons, other than those conducting investor relations activities, shall vest fully on the date of grant, and in any event in accordance with the policies of the TSXV. Options issued to persons conducting investor relations activities must vest (and shall not otherwise be exercisable) in stages over a minimum of 12 months such that: (a) no more than ¼ of the Options vest no sooner than 3 months after the date of grant; (b) no more than another ¼ of the Options vest no sooner than 6 months after the date of grant; (c) no more than another ¼ of the Options vest no sooner than 9 months after the date of grant; and (d) the remainder of the Options vest no sooner than 12 months after the date of grant.

Subject to the rules and policies of the TSXV, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a "cashless exercise" basis, on such terms as the Board may determine in its discretion (the "**Cashless Exercise Right**"). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants a Participant the right to engage a broker to sell such number of Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the award agreement, the Participant may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issues the Shares underlying the number of Options as provided for in the award agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

ISOs are available only for Participants who are employees of the Company, or a "parent corporation" or "subsidiary corporation" (as such terms are defined in Section 424(e) and (f) of the Code), on the date the Option is granted. A Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as otherwise provided herein. A Participant's employment will be deemed to continue during period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant's return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option's term. Nothing referenced herein will be deemed to extend the original expiry date of an Option. A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the Code, Shares accounting for more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an ISO unless (i) the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Shares, as of the date of the grant, and (ii) the Option is not exercisable after the expiration of five years from the date of grant. To the extent the aggregate Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable award agreement.

If the award agreement for the grant of Options so provides, in the event of a change of control (as defined in the Plan), all Options granted to a Participant who ceases to be an eligible person shall become fully vested and shall become exercisable by the Participant in accordance with the terms of such award agreement and the Plan. No acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance for Options issued to persons conducting investor relations activities.

Other than as may be set forth in the award agreement for the grant of Options, upon the death of a Participant, any Options granted to such Participant which, prior to the Participant's death, have not vested, will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect; and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any Options granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Plan, provided the period in which they can make such claim must not exceed one year from the Participant's death.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, such that the Participant no longer qualifies as an eligible person, all Options granted to the

Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an eligible person, or such longer period as may be provided for in the award agreement or as may be determined by the Board, provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all Options granted to the Participant under the Plan will continue to vest in accordance with the terms of such Options; provided, however, that no Options may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all Options granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the termination of the Participant's relationship with the Company due to disability, had vested pursuant to terms of the applicable award agreement, will accrue to the Participant in accordance with the Plan and shall be exercisable by such Participant for a period of 90 days following the termination date, or such longer period as may be provided for in the award agreement or as may be determined by the Board.

Restricted Share Units

A RSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the Plan. All RSUs will vest and become payable by the issuance of Shares at the end of the restriction period if all applicable restrictions have lapsed, as such restrictions may be specified in the award agreement. Subject to the terms and conditions of the applicable award agreement, if a Participant wishes to defer settling the RSUs upon vesting, the Participant must provide written notice (each, a "**RSU Deferral Notice**") to the Company within 3 business days of the vesting date.

RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable award agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time a RSU is granted. The Board shall determine any vesting terms applicable to the grant of RSUs, however, no RSUs may vest before the date that is 12 months following the date of the award.

If the award agreement so provides, in the event of a change of control (as defined in the Plan) pursuant to which a Participant ceases to be an eligible person, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant in accordance with the Plan.

Other than as may be set forth in the applicable award agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant's estate in accordance with the Plan, provided such period does not exceed 12 months from the date of the Participant's death.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all RSUs granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Plan, provided such period does not exceed 12 months after the termination date.

Where a Participant becomes afflicted by a disability, all RSUs granted to the Participant under the Plan will continue to vest in accordance with the terms of such RSUs; provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all RSUs granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination due to disability, had vested pursuant to terms of the applicable award agreement will accrue to the Participant in accordance with the Plan, provided such period does not exceed 12 months after the date the Participant ceases to be an eligible person.

As soon as practicable after each vesting date of a RSU, and unless the Company has received a RSU Deferral Notice from the Participant, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant from treasury the number of Shares equal to the number of RSUs that have vested; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the Plan) on the next trading day after the vesting date of the RSUs, net of applicable withholdings.

Performance Share Units

A PSU is a right awarded to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting criteria being satisfied, subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

Subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of PSUs to eligible persons that do not perform investor relations activities. The number of PSUs to be awarded to any Participant shall be determined by the Board, in its sole discretion, in accordance with the Plan. Each PSU shall, contingent upon the attainment of the performance criteria within the performance cycle, represent one Kona Bay Share.

The Board will select, settle and determine the performance criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An award agreement may provide the Board with the right to revise the performance criteria and the award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the performance criteria unfair unless a revision is made.

All PSUs will vest and become payable to the extent that the performance criteria set forth in the award agreement are satisfied in the performance cycle, the determination of which satisfaction shall be made by the Board on the determination date. No PSU may vest before the date that is 12 months following the date of the award. Subject to the terms and conditions of the applicable award agreement, if a Participant wishes to defer settling the PSUs upon vesting, the Participant must provide written notice (each, a "**PSU Deferral Notice**") to the Company within 3 business days of the determination date.

If the award agreement so provides, in the event of a change of control (as defined in the Plan) pursuant to which a Participant ceases to be an eligible person, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any performance criteria) and shall become payable to the Participant in accordance with the Plan.

Other than as may be set forth in the applicable award agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or their estate, as the case may be, shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed. Any PSUs determined to have been vested by the Board must expire within a reasonable period, not exceeding, 12 months, following the date the Participant ceases to be an eligible person.

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation or due to retirement by the Participant, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed.

Where a Participant becomes afflicted by a disability, all PSUs granted to the Participant under the Plan will continue to vest in accordance with the terms of such PSUs; provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's relationship is terminated due to disability such that the Participant ceases to be an eligible person, all PSUs granted to the Participant under the Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance criteria have been satisfied in that portion of the performance cycle that has lapsed.

Payment to Participants in respect of vested PSUs shall be made after the determination date for the applicable award and in any case within 95 days after the last day of the performance cycle to which such award relates, subject to deferral by the Participant. Unless the Company has received a PSU Deferral Notice from the Participant, the Company shall, at the sole discretion of the Board, either: (a) issue to the Participant the number of Shares equal to the number of PSUs that have vested on the determination date; or (b) make a cash payment in an amount equal to the Market Unit Price (as defined in the Plan) on the next trading day after the determination date of the PSUs that have vested, net of applicable withholdings.

Deferred Share Units

A DSU is a right granted to a Participant, as compensation for employment or consulting services or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Plan and the applicable award agreement, and which may be paid in cash and/or Shares.

Subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant awards of DSUs to directors that do not perform investor relations activities in lieu of fees (including annual Board retainers, chair fees, meeting attendance fees or any other fees payable to a director) or to other eligible persons that do not perform investor relations activities as compensation for employment or consulting services. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with the Plan. The number of DSUs shall be specified in the applicable award agreement. Each director may elect to receive any or all of their fees in DSUs under the Plan.

The number of DSUs shall be calculated by dividing the amount of Fees selected by a director by the Market Unit Price (as defined in the Plan) on the grant date (or such other price as required under the policies of the TSXV) which shall be the 10th business day following each financial quarter end. Any fractional DSU shall be rounded down and no payment or other adjustment will be made with respect to the fractional DSU.

No Deferred Share Units may vest before the date that is 12 months following the date of the award of the DSU.

Each Participant shall be entitled to receive, after the effective date of the Participant's termination of service, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an eligible person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an eligible person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an eligible person, at the sole discretion of the Board, either: (a) that number of Shares equal to the number of vested DSUs credited to the participant's account, such Shares to be issued from treasury of the Company; or (b) a cash payment in an amount equal to the Market Unit Price on the next trading day after the Participant ceases to be an eligible person of the vested DSUs, net of applicable withholdings.

In the event that the value of a DSU would be determined with reference to a period commencing at a fiscal quarter-end of the Company and ending prior to the public disclosure of interim financial statements for the quarter (or annual financial statements in the case of the fourth quarter), the cash payment of the value of the DSUs will be made to the Participant with reference to the 5 trading days immediately following the public disclosure of the interim financial statements for that quarter (or annual financial statements in the case of the fourth quarter).

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Shares that would have otherwise been payable in accordance with the Plan to the Participant upon such Participant ceasing to be an eligible person, provided the period in which they can make such claim must not exceed one year from the Participant's death.

Upon a Participant ceasing to be a Participant by reason of Termination for Cause, the Participant's participation in the Plan shall be terminated immediately, all DSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested DSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled DSUs that have not vested. "Termination for Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant.

General Provisions of the Plan

Termination of Service

A Participant ceases to be a Participant under the Plan, other than by termination for cause, on the earliest date on which both of the following conditions are met: (i) the Participant has ceased to be employed by the Company or has ceased providing ongoing services as a Consultant to the Company or any subsidiary thereof; and (ii) the Participant is not a member of the Board nor a director of the Company or any of its subsidiaries.

Non-Transferability

No Option or Performance-Based Award and no right under any such Option or Performance-Based Award shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution and only then if permitted by the policies of the TSXV. No Option or Performance-Based Award and no right under any such Option or Performance-Based Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

Black-out Periods

In the event that the date provided for expiration, redemption or settlement of an award falls within a blackout period imposed by the Company pursuant to a trading policy as the result of the bona fide existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the award shall automatically be extended to the date that is 10 business days following the date of expiry of the blackout period. Notwithstanding the foregoing, there will be no extension of any award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).

Deductions

Whenever cash is to be paid in respect of DSUs, RSUs or PSUs, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered in respect of DSUs, RSUs or PSUs, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement, all in accordance with the policies of the TSXV, by delivering (on a form prescribed by the Company and in any event in accordance with the policies of the TSXV) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

Amendments to the Plan

The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of the shareholders of the Company (the "**Shareholders**"), amend, suspend, terminate or discontinue the Plan and may amend the terms and conditions of any Options or Performance-Based Awards granted hereunder, subject to:

(a) any required disinterested Shareholder approval to (i) reduce the exercise price of an Option or Performance-Based Award issued to an Insider or (ii) extend the term of an Option or Performance-Based Award granted to an Insider, in either event, in accordance with the policies of the TSXV while the Shares are listed on the TSXV;

(b) any required approval of any applicable regulatory authority or the TSXV; and

(c) any approval of the shareholders as required by the policies of the TSXV (or otherwise required by the TSXV) or applicable law, provided that shareholder approval shall not be required for the following amendments (except that the TSXV may require approval of the Shareholders for amendments under items (c)(iii) to (c)(vii) below) and the Board may make any changes which may include but are not limited to:

  (i) amendments of a "housekeeping nature";

  (ii) amendments for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan; and

  (iii) amendments which are necessary to comply with applicable law or the requirements of the TSXV.

Term

The Plan shall terminate automatically 10 years after the effective date and may be terminated on any earlier date as provided in the Plan.

Employment, Consulting and Management Agreements

Agreements with NEOs of Yerbaé US for the year ended December 31, 2023

On January 1, 2023, Yerbaé US entered into an employment letter agreement dated January 1, 2023 (the "**Yerbaé CEO Agreement**") with Todd Gibson, pursuant to which Mr. Gibson, amongst other things, agreed to provide his services as CEO of Yerbaé US for a term of four years in consideration for: (i) $225,000 per annum base salary (which shall be increased at a minimum rate of 5% annually through the duration of the Yerbaé CEO Agreement); (ii) participation in Yerbaé's bonus program of 40% of base compensation with goals to be determined by the Yerbaé Board annually; (iii) participation in Yerbaé's health insurance, 401(k), and other benefit plans; (iv) participate in the Yerbaé US's 2022 Stock Option Plan; and (v) receive performance stock.

On January 1, 2023, Yerbaé US entered into an employment letter agreement dated January 1, 2023 (the "**Yerbaé COO Agreement**") with Karrie Gibson, pursuant to which Ms. Gibson, amongst other things, agreed to provide her services as Chief Operating Officer of Yerbaé US in consideration for: (i) $200,000 per annum base salary (which shall be increased at a minimum rate of 5% annually through the duration of the Yerbaé COO Agreement); (ii) participation in Yerbaé US's bonus program of 40% of base compensation with goals to be determined by the Yerbaé Board annually; (iii) participation in Yerbaé US's health insurance, 401(k), and other benefit plans; (iv) participate in the Yerbaé US's 2022 Stock Option Plan; and (v) receive performance stock.

On January 1, 2023, Yerbaé US entered into the Director of Finance Agreement with Nicholas Cranny, pursuant to which Mr. Cranny, amongst other things, agreed to provide services as Director of Finance of Yerbaé in consideration for: (i) $125,000 per annum base salary; (ii) receive a discretionary cash bonus of up to 20% of his base compensation with company objectives to be determined by the CEO and Chief Operating Officer from time to time; and (iii) participation in Yerbaé US's health insurance, 401(k), and other benefit plans.

On January 1, 2023, Yerbaé US entered into the Yerbaé US VP Agreement with Seth Smith, pursuant to which Mr. Smith, amongst other things, agreed to provide services as VP, New Business Development of Yerbaé US in consideration for: (i) $200,000 per annum base salary; (ii) receive a discretionary cash bonus, and receive a cash bonus of up to 25% of his base compensation with company objectives to be determined by the CEO from time to time; and (iii) participation in Yerbaé US's health insurance, 401(k), and other benefit plans.

Agreements with NEOs of the Company for the year ended September 30, 2022

The Company entered into a services agreement with Ron Schmitz and ASI Accounting Services Inc. ("**ASI Accounting**") effective March 22, 2021, whereby in consideration for Ron Schmitz acting as the CEO of the Company and ASI Accounting providing accounting and financial consulting services to the Company, the Company pays ASI Accounting a fee of $125 per hour for services provided by Mr. Schmitz. The term of the agreement is for a period of one year and either party may terminate the agreement: (a) at any time in the event of the failure of the other party to comply with any of the provisions under the agreement upon such other party being notified in writing by the party alleging such failure and failing to remedy such failure within 15 days of receiving such notice, (b) upon giving 30 days' notice to the other party and (c) upon the death of Mr. Schmitz. The consulting agreement terminated upon the resignation of Mr. Schmitz as CEO of the Company.

The Company entered into a services agreement with Gurdeep Phachu effective April 9, 2021, whereby in consideration for Mr. Phachu acting as the CFO of the Company and providing accounting and financial consulting services to the Company, the Company pays Mr. Phachu a fee of $500 per month. The term of the agreement is for a period of one year and either party may terminate the agreement: (a) at any time in the event of the failure of the other party to comply with any of the provisions under the agreement upon such other party being notified in writing by the party alleging such failure and failing to remedy such failure within 15 days of receiving such notice, (b) upon giving 30 days' notice to the other party and (c) upon the death of Mr. Phachu. The consulting agreement terminated upon the resignation of Mr. Phachu as CFO of the Company.

The Company entered into a director services agreement with Rose Zanic effective March 22, 2021, whereby in consideration for Ms. Zanic acting as a director of the Company, the Company pays Ms. Zanic a director's fee of $500 per month. The term of the agreement will continue until Ms. Zanic ceases to be a director of the Company. The Company may terminate the agreement for convenience by providing no less than 10 days' written notice to Ms. Zanic.

The Company entered into a director services agreement with Scott Davis effective April 9, 2021, whereby in consideration for Mr. Davis acting as a director of the Company, the Company pays Mr. Davis a director's fee of $500 per month. The term of the agreement will continue until Mr. Davis ceases to be a director of the Company. The Company may terminate the agreement for convenience by providing no less than 10 days' written notice to Mr. Davis. The director services agreement terminated upon the resignation of Mr. Davis as a director of the Company.

Oversight and Description of Director and NEO Compensation

The objective of the Company's compensation program is to compensate the directors and 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 primary goal of the Company's executive compensation program is to:

(a) attract and retain the qualified key executives necessary for the Company's long term success;

(b) motivate the short term and long term performance of those executives; and

(c) align the executives interests with the Company's shareholders.

The Company's compensation strategy is focused on a performance based incentive reward package, using certain critical measurements that management is able to influence toward the short-term and long-term objectives of the Company.

The significant elements of compensation awarded to, earned by, paid or payable to the NEOs for the most recently completed financial year were: (i) base salary; (ii) bonus and other annual incentive awards; and (iii) other compensations, perquisites. No compensation is directly tied to a specific performance goal such as a milestone or the completion of a transaction. No peer group is formally used to determine compensation.

Cash bonuses are structured to reward business excellence and operation outperformance, based on objective and subjective performance assessments and performance benchmark ratings assessed and approved by the Board. The assessment is focused on the key performance indicators both for overall performance of the Company and for individual performance. The key indicators for determining the Company's performance included improvement of retailer product distribution, geographic expansion and product development, which are primary factors leading to steady growth of the Company's assets and shareholders' value. The measurements for individuals' performance were focused on (1) leadership, including five areas: vision, initiatives, creativity, flexibility and supervision skills; and (2) deliverables, including the team, products, communication and reporting and documentation.

Pension Plan Benefits

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