

ENABLENCE TECHNOLOGIES INC.

FORM 51-102F6V

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

FOR THE FINANCIAL YEAR ENDED JUNE 30, 2020

Named Executive Officers

When used in this section, the term "Named Executive Officer" ("**NEO**") means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of Enablence Technologies Inc. ("**Enablence**" or the "**Company**"), including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended June 30, 2020, the Company had six Named Executive Officers ("**NEOs**") being, Steve Wang, the Chief Executive Officer ("**CEO**") until May 26, 2020, Gerald Leahy, the Interim Chief Financial Officer ("**CFO**") until January 10, 2020, Scott Larin, the CFO from January 10, 2020 to May 26, 2020 and thereafter, the CFO and Co-CEO, Ashok Balakrishnan, the Co-CEO and Chief Technology Officer ("**CTO**") from May 26, 2020 onwards, Serge Bidnyk, the Director of Research & Design and Ksenia Yadav, a Senior Optoelectronics Engineer.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION TABLE

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly to the Company's NEOs and directors for each of the Company's two most recently completed financial years for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Table of Compensation Excluding Compensation Securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Steve Wang ⁽¹⁾ <i>Former CEO</i>	2020	379,519	0	0	0	0	379,519
	2019	214,744	41,831	0	0	0	256,575
Gerald Leahy ⁽²⁾⁽¹⁰⁾ <i>Former Interim CFO</i>	2020	47,543	0	0	0	0	47,543
	2019	79,053	0	0	0	0	79,053
Scott Larin ⁽³⁾⁽¹⁰⁾ <i>Co-CEO & CFO</i>	2020	80,435	0	0	0	0	80,435
	2019	N/A	N/A	N/A	N/A	N/A	N/A

Table of Compensation Excluding Compensation Securities							
Name and principal position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Ashok Balakrishnan ⁽⁴⁾⁽¹⁰⁾ <i>Co-CEO & CTO</i>	2020	148,358	0	0	0	536	148,894
	2019	149,365	0	0	0	544	149,909
Serge Bidnyk ⁽⁵⁾⁽¹⁰⁾ <i>Director of Research and Design</i>	2020	148,358	0	0	0	536	148,894
	2019	149,365	0	0	0	544	149,909
Ksenia Yadav ⁽⁶⁾⁽¹⁰⁾ <i>Senior Optoelectronics Engineer</i>	2020	115,022	0	0	0	0	115,022
	2019	111,608	0	0	0	0	111,608
Derek Burney ⁽⁷⁾ <i>Director</i>	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Louis De Jong ⁽⁷⁾ <i>Director</i>	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Dan Shmitt ⁽⁷⁾ <i>Director</i>	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Yongxing Zhu ^{(7),(8)} <i>Director</i>	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Yifan (Evan) Chen ^{(7),(9)} <i>Director</i>	2020	0	0	0	0	0	0
	2019	0	0	0	0	0	0

Notes:

- (1) Steve Wang served as a consultant to the Company from December 2018 and was appointed CEO of the Company on February 5, 2019. Mr. Wang served as CEO until he resigned on May 26, 2020. After his departure, he was replaced by Scott Larin and Ashok Balakrishnan who each act as Co-CEO of the Company. Mr. Wang received consulting fees of USD\$46,948 for his work as a consultant prior to his appointment as CEO. As CEO, Mr. Wang entered into an employment agreement with the Company and was entitled to a base salary of USD\$414,000 and a bonus of up to 50% of his base salary, payable at the sole discretion of the Company's Board of Directors. Upon the departure of Mr. Wang, amounts accrued for bonuses in 2020 and 2019 (which were unpaid as of June 30, 2019) were reversed and no bonus amounts are recognized as owing by the Company following his departure.
- (2) Gerald Leahy served as Interim CFO of the Company from February 5, 2019 to January 10, 2020. After his departure, he was replaced by Scott Larin. Mr. Leahy was retained under a consulting agreement whereby he was entitled to pay of CAD\$120 per hour, subject to a monthly cap of CAD\$12,500. Mr. Leahy's salary is CAD\$63,837 for the year ended June 30, 2020 and CAD\$104,643 for the year ended June 30, 2019.
- (3) Scott Larin was appointed as CFO of the Company on January 10, 2020 and was appointed the additional role of Co-CEO of the Company on May 26, 2020. The Company entered into a consulting agreement with GitWangak Capital Corp. ("GitWangak"), a company for which Mr. Larin is the President, pertaining to his services to the Company. GitWangak is entitled to payments of CAD\$18,000 per month plus HST for the services of Mr. Larin. Mr. Larin subsequently resigned from his roles as Co-CEO and CFO of the Company on May 10, 2021. Mr. Larin's salary (paid through GitWangak) is CAD\$108,000 for the year ended June 30, 2020.
- (4) Ashok Balakrishnan was appointed as Co-CEO and CTO of the Company on May 26, 2020. Prior to this, Mr. Balakrishnan served as Director of Product Development. Mr. Balakrishnan entered into an employment agreement with the Company on October 16, 2015 with a five-year term that is subject to expire on October 16, 2020. Mr. Balakrishnan subsequently entered into an extension of this agreement on June 9, 2021 that is backdated to the prior expiration date; the extension expires on June 30, 2021. Mr. Balakrishnan is entitled to a base annual salary of CAD\$199,200 and a possible discretionary

bonus at the sole discretion of the Board of Directors. Mr. Balakrishnan's salary is CAD\$199,200 with an additional CAD\$720 in other compensation for the year ended June 30, 2020 (total compensation of CAD\$199,920), and CAD\$197,715 with an additional CAD\$720 in other compensation for the year ended June 30, 2019 (total compensation of CAD\$198,435).

- (5) Serge Bidnyk serves as Director of Research and Design for the Company. Mr. Bidnyk entered into an employment agreement with the Company on October 16, 2015 with a five-year term that is subject to expire on October 16, 2020. Mr. Bidnyk subsequently entered into an extension of this agreement on June 9, 2021 that is backdated to the prior expiration date; the extension expires on June 30, 2021. Mr. Bidnyk is entitled to a base annual salary of CAD\$199,200 and a possible discretionary bonus at the sole discretion of the Board of Directors. Mr. Bidnyk's salary is CAD\$199,200 with an additional CAD\$720 in other compensation for the year ended June 30, 2020 (total compensation of CAD\$199,920), and CAD\$197,715 with an additional CAD\$720 in other compensation for the year ended June 30, 2019 (total compensation of CAD\$198,435).
- (6) Ksenia Yadav serves as Senior Optoelectronics Engineer for the Company. Ms. Yadav entered into an employment agreement with the Company on April 1, 2011. As of January 2020, Ms. Yadav is entitled to base annual salary of CAD\$160,380. Ms. Yadav's salary is CAD\$154,440 for the year ended June 30, 2020 and CAD\$147,375 for the year ended June 30, 2019.
- (7) Effective in November 2011, the Company suspended all cash compensation to directors in order to preserve the Company's cash resources. Directors are entitled to participate in the Company's stock option plan, with awards subject to the approval of the Board of Directors.
- (8) Yongxing Zhu subsequently resigned as a Director of the Company on November 16, 2020.
- (9) Yifan (Evan) Chen resigned as a Director of the Company on January 10, 2020.
- (10) These compensation were made in Canadian dollars ("CAD") have been converted to U.S. dollars ("USD") in the chart above at a rate of CAD\$1.3427 = USD\$1 for the 2020 amounts based on the average CAD:USD exchange rate for the twelve month period ended June 30, 2020 and at a rate of CAD\$1.3237 = USD\$1 for the 2019 amounts based on the average CAD:USD exchange rate for the twelve month period ended June 30, 2019, as disclosed in the Company's Management's Discussion and Analysis dated May 12, 2021.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO or director by the Company or its subsidiaries for the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Exercise of Compensation Securities by Directors and Named Executive Officers

No compensation securities were exercised by any director or NEO during the most recently completed financial year.

External Management Companies

The Company and GitWangak entered into a consulting agreement whereby GitWangak would provide the services of its President, Scott Larin, to act as CFO to the Company on January 1, 2020. Mr. Larin was subsequently promoted to serve in the dual role of Co-CEO and CFO of the Company as of February 5, 2020. Mr. Larin is owed monthly payments of CAD\$18,000 plus HST, and is entitled to participate in the Company's group insurance and health benefits plans. The initial term of the agreement was six months, subject to earlier termination as provided for in the agreement. As of June 30, 2020, no extension to the agreement has been agreed to by the parties but Mr. Larin continues to serve in his role as Co-CEO and CFO of the Company. In addition to the base salary and group insurance benefits, Mr. Larin is entitled to a stock option grant, subject to approval of the Company's Board of Directors, to purchase up to 1% of the fully diluted common shares of the Company based on certain terms and conditions. As of June 30, 2020, none of the stock options contemplated by the contract have been approved by the Board of Directors or awarded.

Stock Option Plans and Other Incentive Plans

The Company has in effect a 10% rolling stock option plan (the "**Stock Option Plan**") approved by the shareholders of the Company at its annual general meeting held on February 5, 2019 (the "**Meeting**"). The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which is appended as Schedule "B" to the Company's management proxy circular dated January 7, 2019 filed under the Company's issuer profile on SEDAR at www.sedar.com.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the last closing price of the Company's shares traded through the facilities of the TSX Venture Exchange (the "**Exchange**") prior to the announcement of the option grant, or such other price as may be required or permitted by the Exchange, or if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The Board shall not grant options to any one person in any 12-month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. For options granted to officers, employees and consultants, options are exercisable as follows: 25% on the first anniversary of the date of grant; with an additional 25% becoming exercisable on each of the second, third and fourth anniversaries of the date of grant, subject to the right of the Board of Directors to determine at the time of a particular grant that such options will become exercisable on different dates. For options granted to directors of the Company, at the Board of Directors' discretion, options are exercisable as follows: 50% on the first anniversary of the date of grant; with the remaining 50% becoming exercisable on the second anniversary of the date of grant, subject to the right of the Board of Directors to determine at the time of a particular grant that such options will become exercisable on different dates.
4. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have

an expiry date exceeding ten years from the date on which the Board grants and announces the granting of the option.

5. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death) then the option granted shall expire on a date stipulated by the Board at the time of grant and, in any event, must terminate within 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, subject to the terms and conditions set out in the Stock Option Plan.

Employment, Consulting and Management Agreements

Ashok Balakrishnan, Co-Chief Executive Officer and Chief Technology Officer

The Company and Ashok Balakrishnan entered into an amended and restated employment agreement on October 16, 2015 for a five-year period. The agreement was subsequently extended to June 30, 2021 through an extension signed on June 9, 2021 and backdated to the prior expiration date. Mr. Balakrishnan is currently entitled to an annual salary of CAD\$199,200. In the event of a change of control of the Company, termination without cause or non-renewal of the contract, Mr. Balakrishnan is entitled to receive a total of two years' base salary, the value of his benefits plan for two years (defined as CAD\$5,000 per year), an additional amount of CAD\$302,056 representing prior bonuses earned and payment for all accrued vacation still outstanding, which as of June 30, 2020 totaled CAD\$118,661.

Serge Bidnyk, Director of Research and Design

The Company and Serge Bidnyk entered into an amended and restated employment agreement on October 16, 2015 for a five-year period. The agreement was subsequently extended to June 30, 2021 through an extension signed on June 9, 2021 and backdated to the prior expiration date. Mr. Bidnyk is currently entitled to an annual salary of CAD\$199,200. In the event of a change of control of the Company, termination without cause or non-renewal of the contract, Mr. Bidnyk would be entitled to receive a total of two years' base salary, the value of his benefits plan for two years (defined as CAD\$5,000 per year), an additional amount of CAD\$298,795 representing prior bonuses earned and payment for all accrued vacation still outstanding, which as of June 30, 2020 totaled CAD\$144,710.

Ksenia Yadav, Senior Optoelectronics Engineer

The Company and Ksenia Yadav entered into an employment agreement on April 1, 2011. Ms. Yadav is currently entitled to an annual salary of CAD\$160,380. In the event of termination without cause, Ms. Yadav would be entitled to statutory benefits entitled under law plus payment for all accrued vacation still outstanding, which as of June 30, 2020 totaled CAD\$21,016.

Steve Wang, Former Chief Executive Officer

The Company and Steve Wang entered into an employment agreement on February 6, 2019. Mr. Wang was entitled to a base salary of USD\$414,000. In addition, Mr. Wang is entitled to earn an annual incentive bonus of up to 50% of base salary, subject to the sole discretion of the Board of Directors. Mr. Wang was also provided a grant of stock options entitling him to purchase 8,000,000 shares of the Company, vesting in equal installments over a four-year period, commencing upon the first anniversary of the date of hire; all options have subsequently been terminated prior to vesting or have expired unexercised. In the event of termination without cause, Mr. Wang would be entitled to receive a total of six months base salary paid on a continuing basis plus the cost of continued health coverage for the six-month continuation period. Mr. Wang resigned from the Company on May 26, 2020.

Gerald Leahy, Former Interim CFO

The Company and Gerald Leahy entered into a consulting agreement on October 24, 2012. Mr. Leahy was promoted to CFO of the Company on February 5, 2019. Mr. Leahy is owed payment from the Company for services rendered at the rate of CAD\$120 per hour, up to a maximum of CAD\$12,500 per month. The initial term of the contract was for one year. The most recent renewal of the contract was for the one-year period ending May 31, 2018; following this time, the same contract terms have been applied. The contract can be terminated by either party on 15 days' notice and no post-termination benefits are provided for in the contract. Mr. Leahy resigned from the Company on January 10, 2020.

The Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a NEO or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in an NEOs or directors responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

The Board of Directors (the "**Board**") does not have in place a compensation committee. All tasks relating to the development and assessment of the compensation paid to both the NEOs and directors is performed by members of the Board. Compensation is reviewed on an annual basis. The Company's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

The objectives and reasons for this system of compensation are generally to allow the Company to remain competitive compared to its peers in attracting and retaining experienced personnel. In general, a NEO's compensation is comprised of salary, wages or contractor payments and stock option grants.

At this time, the Board has not established any specific performance criteria or goals. While the determination of the compensation of NEOs is subjective, the directors of the Company as a whole, considered among other things, (i) the position held, including the roles and responsibilities of the NEOs; and (ii) the individual experience and skills of, and expected contributions from the NEOs.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders. As outlined above, since November 2011, the Company suspended all cash compensation to directors in order to preserve the Company's cash resources. Directors are entitled to participate in the Company's stock option plan, with awards subject to the approval of the Board of Directors.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

There were no significant changes to the Company's compensation policies during or after the most recently completed financial year that could or would have affected the compensation of NEOs.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement during the most recently completed financial year ended June 30, 2020.