SIRONA BIOCHEM CORP.

(the “Company”)

STATEMENT OF EXECUTIVE COMPENSATION
Form 51-102F6

1. COMPENSATION DISCUSSION AND ANALYSIS

The Company is a biotechnology research and development corporation that focuses on commercializing technologies in various fields and is dependent on financing to carry on its business. In order to ensure alignment with shareholder interests, as well as to conserve cash resources, the Company relies, when possible and prudent, on stock options and other share compensation arrangements, in addition to cash payments to remunerate its officers, employees, consultants and other service providers. To this end, the Company maintains an incentive stock option plan pursuant to which directors, officers, employees and consultants may be granted options to purchase Common Shares. The Company does not maintain any pension or retirement plan.

Compensation Committee

The Board of Directors of the Company (the “**Board**”) has appointed a compensation committee so the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation program, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board on the basis of recommendations of the compensation committee.

The current members of the compensation committee are: Howard Verrico, Christopher Hopton and Jason Tian. Jason Tian is an independent director. Howard Verrico and Christopher Hopton are not independent as Dr. Verrico is the CEO of the Company and Mr. Hopton is the CFO. See disclosure under “*Election of Directors*” pertaining to relevant education and experience of the compensation committee members.

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company and reviews the compensation of senior management on at least an annual basis taking into account compensation paid by other issuers of similar size and activity.

Objectives of the Compensation Program

The compensation program for the executive officers of the Company is designed with a view that the level and form of compensation achieves the following objectives:

a) to attract and retain qualified executives,

b) to motivate and recognize the performance and contributions of these executives, and

c) to align their interests with those of the Company’s shareholders.

The Company’s compensation program is in place to ensure it stays comparable with other biotechnology research and development companies at a similar stage of development.

Elements of Compensation

In compensating its executive officers and senior management, the Company has employed a combination of short-term incentives (base salary or equivalent consulting fees), bonus and long-term incentives (stock option grants). The compensation committee is responsible for evaluating the CEO's performance relative to the Company's annual goals and recommending the compensation package to the Board for review and approval. The CEO is responsible for reviewing annually the base salaries of the other senior officers of the Company and their adjustments.

<u>Base Salary</u>

In the view of the compensation committee, paying base salaries, which are reasonable in relation to the level of service expected, while remaining competitive in the life science markets in which the Company operates is a necessary step to attract and retain qualified and experienced executives.

<u>Bonus</u>

The CEO is eligible to receive an annual performance-based cash bonus, which is overseen by the Board. The Board does not consider the applicable periods set for bonus purposes to be heavily weighted to the short-term and believes it has struck an appropriate balance between the short-term performance incentives and longer-term awards that vest over time.

<u>Stock Options</u>

The Company believes that encouraging its executives to become shareholders is the best way of aligning their interests with those of its long-term shareholders as the executives are provided with the opportunity to participate in the appreciation of the Company's share price. The Company has in place its equity incentive stock option plan (the "**Option Plan**"). The Option Plan was implemented to provide incentive to officers, directors, employees and consultants to increase their proprietary interest in the Company. The Option Plan is administered by the Board. The Board determines the individuals, the number of options, date of and the corresponding exercise price of all grants made under the Option Plan. Stock Options ("**Options**") granted to NEOs (defined below) take into account a number of factors, including the amount and term of Options previously granted, base salary or consulting fees, performance and market comparability. Following the fiscal year end of October 31, 2020, the Company granted an aggregate of 7,490,000 Options as compensation to directors and officers of the Company as well as to consultants of the Company. Of those Options granted, 3,450,000 Options were granted to directors and officers of the Company.

Particulars of the Option Plan

The following is a summary of the principal terms of the Option Plan.

The Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the Option Plan, the terms "employees", "consultants" and "management company employees" have the meanings set out in TSX Venture Exchange ("**Exchange**") Policy 4.4. In addition, the term "director" is defined in Exchange Policy 4.4 to include directors, senior officers and management company employees.

Under the Option Plan, the Company's Board of Directors may, from time to time, designate a director or other senior officer or employee of the Company as administrator (the "**Administrator"**) for the purposes of administering the Option Plan. The Administrator is Mr. Christopher Hopton.

The Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding Common Shares (subject to standard anti-dilution adjustments). If an Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares reserved for issuance under that expired or terminated Option will again be available for the purposes of the Option Plan. Any Option outstanding when the Option Plan is terminated will remain in effect until it is exercised or it expires.

The Option Plan provides that it is solely within the discretion of the Board to determine who should receive Options and in what amounts, subject to the following conditions:

a) Options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the Option holder in the event of the Option holder's death;

b) Options may be exercisable for a maximum of ten years from the date of grant;

c) Options to acquire no more than 5% of the issued shares of the Company may be granted to any one person (including companies wholly-owned by such person) in any 12 month period;

d) Options to acquire no more than 2% of the issued shares of the Company may be granted to any one consultant in any 12 month period;

e) Options to acquire no more than an aggregate of 2% of the issued shares of the Company may be granted to an employee conducting Investor Relations Activities (as defined in Exchange Policy 1.1), in any 12 month period;

f) at no time will Options be issued which could permit at any time the aggregate number of Common Shares reserved for issuance under Options granted to insiders (as a group) at any point in time exceeding 10% of the issued Common Shares;

g) at no time will Options be issued which could permit at any time the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued Common Shares calculated at the date an Option is granted to any Insider;

h) Options held by an Option holder who is a director, employee, consultant or management company employee must expire within one year after the Option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;

i) Options held by an Option holder who is engaged in Investor Relations Activities must expire within 30 days after the Option holder ceases to be employed by the Company to provide Investor Relations Activities; and

j) in the event of an Option holder's death, the Option holder's personal representative may exercise any portion of the Option holder's vested outstanding Options for a period of one year following the Option holder's death.

The Option Plan provides that other terms and conditions may be attached to a particular Option, such terms and conditions to be referred to the Option certificate or in a schedule attached to the Option certificate. Options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board on a case-by-case basis. Options granted to consultants performing Investor Relations Activities will vest in stages over 12 months with no more than ¼ of the Options vesting in any three-month period.

In addition, under the Option Plan an Option will expire immediately in the event a director or senior officer ceases to be a director or senior officer of the Company as a result of:

a) ceasing to meet the qualifications under the Act;

b) the passing of a special resolution by the shareholders; or

c) an order made by a regulatory authority.

An Option will also expire immediately in the event an employee ceases to be an employee as a result of termination for cause or an employee or consultant ceases to be an employee or consultant as a result of an order made by a regulatory authority.

The price at which an Option holder may purchase a Common Share upon exercise of an Option will be as set forth in the Option certificate issued in respect of such Option and, in any event, will not be less than the discounted market price of the Common Shares as of the date of grant of the Option (the "**Award Date**"). The market price of the Common Shares for a particular Award Date will typically be the closing trading price of the Common Shares on the day immediately preceding the Award Date, or otherwise in accordance with the terms of the Option Plan. Discounted market price means the market price less a discount of up to 25% if the market price is $0.50 or less; up to 20% if the market price is between $2.00 and $0.51; and up to 15% if the market price is greater than $2.00.

In no case will an Option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the Option in question.

The Option Plan also provides that: (a) disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option held by an Insider of the Company; and (b) Options cannot be granted to employees, consultants or management company employees that are not bona fide employees, consultants or management company employees, as the case may be.

Common Shares are not issued pursuant to Options granted under the Option Plan until they have been fully paid for by the Option holder.

Risk Assessment

In carrying out its mandate, the Board from time to time reviews the risk implications of the Company's compensation policies and practices, including those applicable to the Company's executives. This review of the risk implications ensures that the compensation plans, in their design, structure and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

a) Design of a compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of a particular executive, substantially equivalent performance goals,

b) A balance of short-term performance incentives with equity-based awards that vest over time,

c) Ensuring that the overall expense to the Company of the compensation program does not represent a disproportionate percentage of the Company's annual budget or financial resources, after giving consideration to the development stage of the Company, and

d) Utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer-term risks and objectives.

For the reasons set forth below, the Board believes that the Company's current executive compensation policies and practices achieve an appropriate balance in relation to the Company's overall business strategy and do not encourage executives to expose the Company to inappropriate or excessive risks.

Base salaries set for the Company's executives are intended to provide a steady income regardless of the price performance of the Common Shares, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short-term price performance or market fluctuations of the Common Shares.

Named Executive Officers

The following table sets forth all compensation received by individuals who served as a Named Executive Officer ("**NEO**") of the Company for the financial years ended October 31, 2020, 2019 and 2018. NEOs are executive officers of the Company including: the Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**") of the Company at any time during those financial years, and all other executive officers of the Company who received salary and/or bonuses from the Company in excess of, in aggregate, $150,000. Howard Verrico, CEO, Christopher Hopton, CFO and Géraldine Deliencourt-Godefroy, CSO are each a NEO of the Company for purposes of the following disclosure.

Summary Compensation Table

Name and principal position	Fiscal Year	Salary ($)[1]	Share-based awards ($)	Option-based awards ($)[(3)]	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans[(2)]			
Howard Verrico, CEO	2020	161,280	N/A	271,780	Nil	N/A	N/A	Nil	433,060
	2019	151,200	N/A	78,173	94,000	N/A	N/A	Nil	323,373
	2018	144,000	N/A	39,471	N/A	N/A	N/A	Nil	183,471
Christopher Hopton, CFO	2020	147,840	N/A	203,834	Nil	N/A	N/A	Nil	351,674
	2019	138,600	N/A	Nil	74,000	N/A	N/A	Nil	212,600
	2018	132,000	N/A	39,471	N/A	N/A	N/A	Nil	171,471
Géraldine Deliencourt-Godefroy, CSO	2020	213,394	N/A	271,780	Nil	N/A	N/A	Nil	485,174
	2019	213,394	N/A	Nil	39,000	N/A	N/A	Nil	252,394
	2018	213,394	N/A	15,788	N/A	N/A	N/A	Nil	229,182

Notes:

1. Includes salary paid or accrued during the financial year.
2. Long term incentive plan means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciation rights plans or plans to compensate through restricted shares or restricted share units.
3. The fair value of stock options have been calculated using the Black-Scholes option valuation model with the following assumptions:

Year ended October 31,	2020	2019	2018
Dividend yield	0%	0%	0%
Expected volatility	81.88% to 159.49%	87% to 99.39%	67% to 68%
Risk free interest rate	0.24% to 1.65%	1.54% to 1.78%	1.46% to 1.88%
Expected life of options	1 to 5 years	3 years	1.44 to 2.5 years
Share Price	$0.19 to $0.31	$0.125 to $0.48	$0.11 to $0.13

Consulting Agreements and Employment Agreements

Howard Verrico – The Company entered into a consulting agreement with Dr. Verrico dated June 26, 2015 (the "**Verrico Agreement**"), for an indefinite term, pursuant to which Dr. Verrico receives a salary of $161,280 per annum, payable in equal monthly instalments of $13,440 plus GST. Dr. Verrico may also receive discretionary cash bonuses as determined by the Company. Dr. Verrico is entitled to receive stock option grants, which are to be recommended by the Compensation Committee and approved by the Board at the time of grant. If Dr. Verrico's position with the Company is terminated by the Company without cause or if the Verrico Agreement is terminated by Dr. Verrico for good reason (as those terms are defined in the Verrico Agreement), the Company shall pay Dr. Verrico, at the termination date, a lump sum cash amount equal to two times the annual compensation paid to Dr. Verrico immediately preceding such termination. In addition, all non-vested share options granted to Dr. Verrico shall immediately and fully vest on the termination date and may be exercisable for one year thereafter. The Company may terminate the Verrico Agreement and Dr. Verrico's position with the Company for cause at any time without notice or compensation. In the event Dr. Verrico resigns or the Company terminates Dr. Verrico's position within 12 months after a change of control of the Company, Dr. Verrico will receive a lump sum payment of two times the annual compensation then payable under the Verrico Agreement and all non-vested share options shall immediately and fully vest and be exercisable for one year thereafter. A change of control is defined as: the acquisition by any person or group of 50% of the outstanding Shares of the Company; the removal by resolution of shareholders of more than 51% of the then incumbent directors of the Company; the election of a majority of directors to the Board who were not nominees of the Company's Board immediately preceding such election; consummation of a sale of all, or substantially all, of the assets of the Company; or the consummation of a reorganization, merger or other transaction which has substantially the same effect. In addition to all change of control payments under the Verrico Agreement, if the change of control results in a buyout, on the closing of the buyout, Dr. Verrico will receive a cash bonus equal to 1.4% of the transaction value of the buyout. A "buyout" means (i) the acquisition by any person or group acting in concert which totals for the first time 66.67% of the outstanding Shares of the Company; or (ii) the consummation of a sale of all or substantially all of the assets of the Company, or (iii) the consummation of a reorganization, merger or other transaction which has substantially the same effect.

Christopher Hopton – The Company entered into a consulting agreement with Mr. Hopton dated June 26, 2015 (the "**Hopton Agreement**"), for an indefinite term. Pursuant to the terms of the Hopton Agreement, Mr. Hopton receives a salary of $147,840 per annum, payable in equal monthly instalments of $12,320 plus GST. Mr. Hopton may also receive discretionary cash bonuses as determined by the Company. Mr. Hopton is entitled to receive stock option grants, which are recommended by the Compensation Committee and approved by the Board at the time of grant. If Mr. Hopton's position with the Company is terminated by the Company without cause or if the Hopton Agreement is terminated by Mr. Hopton for good reason (as those terms are defined in the Hopton Agreement), the Company shall pay Mr. Hopton at the termination date a lump sum cash amount equal to two times the annual compensation paid to Mr. Hopton immediately preceding such termination. In addition, all non-vested share options granted to Mr. Hopton shall immediately and fully vest on the termination date and may be exercisable for one year thereafter. The Company may terminate the Hopton Agreement and Mr. Hopton's position with the Company for cause at any time without notice or compensation. In the event Mr. Hopton resigns or the Company terminates Mr. Hopton's position within 12 months after a change of control of the Company, Mr. Hopton will receive a lump sum payment of two times the annual compensation then payable under the Hopton Agreement and all non-vested share options shall immediately and fully vest and be exercisable for one year thereafter. A change of control is defined as the acquisition by any person or group of 50% of the outstanding Shares of the Company; the removal by resolution of shareholders of more than 51% of the then incumbent directors of the Company; the election of a majority of directors to the Board who were not nominees of the Company's Board immediately preceding such election; consummation of a sale of all or substantially all of the assets of the Company; or the consummation of a reorganization, merger or other transaction which has substantially the same effect. In addition to all change of control payments under the Hopton Agreement, if the change of control results in a buyout, on the closing of the buyout, Mr. Hopton will receive a cash bonus equal to 1.0% of the transaction value of the buyout. A "buyout" means (i) the acquisition by any person or group persons acting which totals for the first time 66.67% of the outstanding common shares of the Company; or (ii) the consummation of a sale of all or substantially all of the assets of the Company, (iii) or the consummation of a reorganization, merger or other transaction which has substantially the same effect.

Géraldine Deliencourt-Godefroy – The Company's wholly-owned subsidiary, TFChem SAS, entered into an employment agreement with Dr. Deliencourt-Godefroy dated March 31, 2011. Under the terms of the agreement, Dr. Deliencourt-Godefroy receives an annual salary of €163,200 payable in equal monthly installments of €13,600. Dr. Deliencourt-Godefroy also receives stock options, which option grants are recommended by the Compensation Committee and approved by the Board on the date of grant.

Incentive Plan Awards

Outstanding Option-based and Share-based Awards

The Company does not issue share-based awards. The following table sets forth information in respect of all option-based awards outstanding for each NEO as at October 31, 2020:

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date (mm/dd/yyyy)**	**Value of unexercised in-the-money options[1] ($)**
Howard Verrico, CEO	1,600,000	0.16	06/26/2025	144,000
	150,000	0.20	09/21/2026	7,500
	500,000	0.15	11/20/2027	50,000
	500,000	0.10	02/26/2029	75,000
	1,000,000	0.45	01/21/2030	Nil
Christopher Hopton, CFO	150,000	0.20	09/21/2026	7,500
	500,000	0.15	11/20/2027	50,000
	1,400,000	0.16	06/26/2025	126,000
	750,000	0.45	01/21/2030	Nil
Géraldine Deliencourt-Godefroy, CSO	300,000	0.16	6/26/2025	27,000
	150,000	0.15	11/20/2027	15,000
	1,000,000	0.45	01/21/2030	Nil

Note:

1. Based on a trading day closing stock price of $0.25 per Common Share as at October 31, 2020.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value vested or earned with respect to option-based awards for each NEO during the year ended October 31, 2020:

Name	Option-based awards – value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Howard Verrico, CEO	Nil	N/A	N/A
Christopher Hopton, CFO	Nil	N/A	N/A
Géraldine Deliencourt-Godefroy, CSO	Nil	N/A	N/A

Pension Plan Benefits

The Company does not have a Pension Plan for its NEOs and directors.

Termination and Change of Control Benefits

Please refer to the narrative description of the consulting agreements and employment agreement under the heading *Consulting Agreements and Employment Agreements* above.

Director Compensation

There were five directors of the Company at the October 31, 2020 financial year-end, three of whom: Howard Verrico, Christopher Hopton and Géraldine Deliencourt-Godefroy, were also NEOs, for whom executive compensation is disclosed above. The independent directors, Alex Marazzi and Jason Tian, are compensated for their attendance at Board meetings. The Company has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors, except for the grant of Options from time to time.

The compensation provided to the directors, excluding a director who is included in disclosure for a NEO above, for the Company's most recently completed financial year ended October 31, 2020 is as follows:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Alex Marazzi	Nil	Nil	27,178	Nil	Nil	Nil	27,178
Jason Tian	Nil	Nil	163,067	Nil	Nil	Nil	163,067

The following table sets out all option-based awards outstanding at October 31, 2020.

	Option-based Awards			
Name	**Number of Securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date (mm/dd/yyyy)**	**Value of unexercised in-the-money options ($)**
Alex Marazzi	100,000	0.20	06/21/2021	5,000
	100,000	0.15	11/22/2022	10,000
	100,000	0.45	01/21/2025	Nil
Jason Tian	300,000	0.52	06/07/2024	Nil
	600,000	0.45	01/21/2025	Nil

Note:

(1) The market price for the Common Shares of the Company as at the year ended October 31, 2020 is $0.25 per Common Share, as determined by tmxmoney.com

Directors Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the incentive plan awards value vested or earned during the financial year ended October 31, 2020, for each director, excluding a director who is set out above in disclosure as a NEO of the Company:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Alex Marazzi	Nil	Nil	Nil
Jason Tian	Nil	Nil	Nil

Note:

(1) The market price for the Common Shares of the Company as at the October 31, 2020 financial year-end was $0.25 per Common Share, as determined by tmxmoney.com.

Actions, Policies and Decisions Made following October 31, 2020:

- February 1, 2021 the Company granted, pursuant to the Company's Stock Option Plan, incentive stock options ("**ISOs**") to purchase 350,000 Common Shares to independent directors and consultants of the Company at an exercise price of $0.38 per Common Share with expiry dates ranging from one to 5 years. Directors receiving Incentive Stock Options were: Alex Marazzi as to 100,000 and Jason Tian as to 100,000 ISOs.

- March 10, 2021 the Company reached the milestone of the launch of the first commercial product containing the Company's proprietary ingredient, TFC-1067, as an active ingredient in Rodan + Fields Targeted Dark Spot Corrector.