

**PLURILOCK SECURITY INC.  
(formerly, Libby K Industries Inc.)**

Suite 330, 702 Fort Street  
Victoria, BC V8W 1H2  
Telephone: (250) 590-2383

**INFORMATION CIRCULAR**

as at May 18, 2021  
(except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Plurilock Security Inc. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on July 2, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Company”, “we” and “our” refer to Plurilock Security Inc. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. “Registered Shareholder” means the person whose name appears on the central securities register maintained by or on behalf of the Company and who holds Common Shares in his or her own name.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Notice-and-Access**

Notice-and-Access means provisions (“Notice-and-Access Provisions”) concerning the delivery of proxy-related materials to Shareholders found in section 9.1.1. of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), in the case of Registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), in the case of Beneficial (“Non-Registered”) Shareholders, which allow an issuer to deliver an information circular forming part of proxy-related materials to Shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting

issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners are entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

Use of Notice-and-Access Provisions reduces paper waste and mailing costs to the issuer. To utilize Notice-and-Access Provisions to deliver proxy-related materials by posting an information circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted on website and explaining how a Shareholder can access them or obtain from the Company, a paper copy of the information circular. This Circular has been posted in full on the Company's website at <https://www.plurilock.com/company/shareholder-meetings/> and is also available for viewing under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Circular to be posted on the applicable website and other materials to be delivered to Shareholders. The requirements of that notice, which require the Company to provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of the Information Circular and any related financial statements and Management Discussion and Analysis ("MD&A"), and explain the Notice-and-Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of Registered Shareholders or a voting instruction form in the case of Non-Registered Holders).

The Company will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of its information circular with the notice to be provided to Shareholders as described above. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No Shareholder will receive a paper copy of the information circular from the Company or any intermediary unless such Shareholder specifically requests the same.

**The Circular is available for review at <https://www.plurilock.com/company/shareholder-meetings/>, being the website address to the Company's AGM page. Any Shareholder who wishes to obtain a paper copy of the Circular, should contact the Company at Suite 330, 702 Fort Street, Victoria, British Columbia V8W 1H2, or call Toll Free: (888) 776-9234 or Tel: (250) 590-2383. A Shareholder may also use the toll-free number noted above to obtain additional information about Notice-and-Access Provisions. To ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for them to review the Circular and return a proxy or voting instruction form prior to the Proxy Deadline, it is strongly suggested such Shareholder's request is received by the Company no later than **June 11, 2021**.**

In accordance with the requirements of NI 54-101, the Company distributes copies of the Notice of Meeting and the form of Proxy (collectively, the “notice package”) to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send the notice package directly to Beneficial (Non-Registered) Shareholders. Intermediaries are required to forward the notice package to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Company. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the proxy. Registered Shareholders must follow the instructions of the voice

response system and refer to the enclosed proxy form for the toll-free number, the holder's account number and the proxy access number; or

- (c) log onto Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at its discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

### **Beneficial Shareholders**

**The following information is of significant importance to Shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). In the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "*Non-Objecting Beneficial Owners*").

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of

securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“VIF”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) (the “BCA” and the “Act”), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

## **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, as further described below.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 5, 2018 as Libby K Industries Inc. The Company subsequently changed its name to Plurilock Security Inc. on September 16, 2020.

The Board has fixed May 18, 2021 as the record date (the "Record Date") for determining persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

The Common Shares are listed on the TSX Venture Exchange (the "TSXV") under stock symbol "PLUR" and the Company is authorized to issue an unlimited number of Shares without par value. As of May 18, 2021, a total of 58,690,255 Common Shares without par value issued and

outstanding, each carrying the right to one vote. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

### Escrow Shares

As of May 18, 2021, there were 8,816,124 Common Shares held in escrow under escrow agreements dated January 16, 2019 and September 17, 2020.

On September 16, 2020, the Company consolidated its issued and outstanding Common Shares on the basis of two (2) pre-consolidation Common Shares for one (1) post-consolidation Common Share then issued and outstanding. Accordingly, the outstanding 11,100,000 Common Shares on September 17, 2020 were consolidated to 5,550,000 outstanding Common Shares.

Only Registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to the outstanding Shares.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- Annual Information Form for the year ended December 31, 2020, filed under the Company's SEDAR profile on April 30, 2021 at [www.sedar.com](http://www.sedar.com); and
- Financial statements for the year ended December 31, 2020 and report of the auditor thereon and related management discussion and analysis as filed under the Company's SEDAR profile on April 28, 2021 at [www.sedar.com](http://www.sedar.com).

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at Suite 330, 702 Fort Street, Victoria, British Columbia V8W 1H2, telephone no. (250) 590-2383. These documents are also available via the internet under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## FINANCIAL STATEMENTS

Coincident with the completion of the September 17, 2020 three-cornered amalgamation (the “Transaction”), the Company changed its financial year-end to December 31<sup>st</sup>, being the same year-end as the acquirer before that transaction. Details of the Transaction are set out in the Company’s filing statement dated August 20, 2020 and filed on SEDAR on August 21, 2020. Therefore, the consolidated audited financial statements of the Company for the financial year ended December 31, 2020, the report of the auditor thereon and the related management’s discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) and will also be tabled at the Meeting.

## NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at six (6). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends the approval of setting the number of directors of the Company at six (6).**

## ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company’s Articles or until such director’s earlier death, resignation or removal.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
<b>Barry Carlson</b> <sup>(2)(9)</sup> Director British Columbia, Canada	Chairman of Plurilock Security Solutions, Inc. (June 2017 - May, 2019) and (August 2019 - September 2020); CEO of Plurilock Security Solutions, Inc. (September 2015 - June 2017)	September 17, 2020	440,297 <sup>(3)</sup>
<b>Molly Falconer de Ramel</b> Director Rhode Island, USA	CEO of Periwinkle LLC (September 2020 – Present); Financial Communications Consultant at Hatwell Group (January 2020 – September 2020); Financial and Media Communications Consultant at Templar Advisors (January 2014 – January 2020); Head of Media and University News Bureau at Brown University (March 2011 – January 2014)	March 14, 2021	Nil <sup>(4)</sup>

<b>Name, Place of Residence and Position(s) with the Company</b>	<b>Principal Occupation, Business or Employment for Last Five Years<sup>(1)</sup></b>	<b>Director Since</b>	<b>Number of Shares Owned<sup>(1)</sup></b>
<b>William Hammersla</b> <sup>(9)(10)</sup> Director Maryland, USA	CEO of Utilidata, Inc. (February 2017 - January 2018); President of Raytheon Cyber Products (October 2010 – January 2017)	September 17, 2020	14,146 <sup>(5)</sup>
<b>Robert Kiesman</b> <sup>(2)(10)</sup> Chairman and Director British Columbia, Canada	Owner & Director of Vancouver Corporate Solutions Inc. (July 2020 – Present); Owner & Chief Legal Officer of Valley Personnel Ltd. (May 2017 - Present); Owner & President of Steveston Employment Advisors Inc. (Sept 1994 - Present); M&A lawyer at Stikeman Elliott LLP (August 2010 - June 2017); CEO & Chairman of FTC Cards Inc. (May 2021 – Present)	July 5, 2018	448,500 <sup>(6)</sup>
<b>Michael McConnell</b> <sup>(2)(9)</sup> Director Virginia, USA	Executive Director (part-time) of the Center for Cybersecurity (Cyber Florida USA) (February 2020 – Present); Director of Securonix Inc. (November 2017 – Present); Director of ZeroFox (August 2014 - Present); Director of IronNet Cybersecurity, Inc (September 2016 – Present); Director of Fortinet Federal Inc. (August 2017 – Present); Member of Security Board Member of Nokia Corporation (February 2017 - Present)	September 17, 2020	28,251 <sup>(7)</sup>
<b>Ian Paterson</b> CEO and Director British Columbia, Canada	CEO of Plurilock Security Solutions, Inc. (June 2017 - Present); Vice President, Sales of Plurilock Security Solutions, Inc. (Jan 2016 - June 2017)	September 17, 2020	1,459,980 <sup>(8)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Mr. Carlson also holds options to purchase 300,000 common shares at a price of \$0.34 expiring on October 27, 2030.

(4) Ms. Falconer de Ramel holds options to purchase 300,000 common shares at a price of \$0.67 expiring on March 14, 2026.

(5) Mr. Hammersla also holds options to purchase 400,000 common shares at a price of \$0.34 expiring on October 27, 2030.

(6) 12,500 common shares are held indirectly through Skeena Gold Fishing Ltd., a of which Mr. Kiesman is the sole director and 55,000 common shares are held by an individual whose securities are under the control and direction of Mr. Kiesman. Ms. Kiesman also holds options to purchase 138,750 options to purchase common shares at a price of \$0.20 expiring on February 8, 2024 and options to purchase 750,000 common shares at a price of \$0.34 expiring on October 27, 2030.

(7) Mr. McConnell also holds options to purchase 300,000 common shares at a price of \$0.34 expiring on October 27, 2030.

(8) Mr. Paterson also holds options to purchase 1,050,000 common shares at a price of \$0.34 expiring on October 27, 2030 and options to purchase 600,000 common shares at a price of \$0.35 expiring on December 8, 2030.

(9) Member of the Compensation Committee.

(10) Member of the M&A Advisory Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

**Management recommends the election of each of the nominees listed above as a director of the Company.**

### **Cease Trade Orders**

No proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Bankruptcies**

No proposed director of the Company is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

No proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

## APPOINTMENT OF AUDITOR

Deloitte LLP, Chartered Professional Accountants, will be nominated at the Meeting for appointment as auditor of the Company for the ensuing year. Deloitte LLP, Chartered Professional Accountants, were first appointed as the Company’s auditor on September 17, 2020.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Deloitte LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.**

## AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 Audit Committees (“NI 52-110”), a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “Audit Committee”).

### The Audit Committee Charter

The full text of the Company’s audit committee charter (the “Audit Committee Charter”) is attached as Schedule “B” to the Company’s information circular dated November 30, 2019 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### Composition of the Audit Committee

The following persons are members of the audit committee:

Barry Carlson (Chair)	Not Independent	Financially Literate
Robert Kiesman	Independent	Financially Literate
Michael McConnell	Independent	Financially Literate

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board’s reasonable opinion, interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company. All Audit Committee members are considered to be financially literate.

### Relevant Education and Experience

Each member of the Company’s Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

### Barry Carlson

Barry Carlson was previously the Chairman of the Board of Plurilock Security Solutions Inc. and is a veteran executive and investor who has served for 45 years in leadership and governance roles in the software and information technology industries in BC. He was most recently the Founder and CEO of Parasun Technologies Inc. (acquired by Uniserve in 2007), and Chairman and CEO of Scorpion Software Inc. (acquired by Kaseya in 2015). He has served as President of the BC Electronic Manufacturers Association and led the creation of the BC Technology Industries Association (now BC TECH).

### Robert Kiesman

Robert Kiesman is a private business owner and corporate lawyer who specialized in securities law and mergers & acquisitions for eight years (2009 to 2017) with Stikeman Elliott LLP in Vancouver. He has served as board chairman of the Steveston Harbour Authority since 2011. He also serves as Vice Chair of the board of directors of the Provincial Health Services Authority, a public health authority with an annual budget of over \$3.5 billion. He served as a director and Audit Committee chair of Powerband Solutions Inc. (TSX-V:PBX) in 2018 and is a director of Four Arrows Capital Corp. (TSX-V:AROW) and CEO and Chairman of FTC Cards Inc. Mr. Kiesman has a law degree from the University of British Columbia and a BA in Political Studies from Trinity Western University.

### Michael McConnell

Mr. McConnell previously served as the Director of National Security Agency of the United States under President Clinton and President George H.W. Bush, then US Director of National Intelligence under President George W. Bush and President Obama, managing an organization of 100,000 people with annual budget of \$47.0B. Vice Admiral McConnell also served as the head of the intelligence business at Booz Allen Hamilton Inc. (NYSE: BAH) before retiring as Vice Chairman. He currently serves on the board of directors for several companies. He twice received the nation's highest award for service in the intelligence community, once by President Clinton and once by President W. Bush. Vice Admiral McConnell holds an M.P.A. from George Washington University and has been awarded four honorary doctorate degrees, the most recent from the University of South Florida.

## Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

## Reliance on Certain Exemptions

The Company's auditors, Deloitte LLP, Chartered Professional Accountants, have not provided any material non-audit services.

## Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company's previous auditor, Smythe LLP, and the Company's current auditor, Deloitte LLP, Chartered Professional Accountants, (the "Auditors") to the Company to ensure auditor independence for the year ended December 31, 2020 and September 30, 2019. Fees incurred with the Auditors, for audit and non-audit services in the fiscal years ended December 31, 2020 and September 30, 2019 are outlined in the table below:

<b>Financial Period Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2020	\$63,000	\$80,450	\$34,191	nil
2019	\$6,000	\$3,052	2,250	nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## **Exemption**

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

## **CORPORATE GOVERNANCE**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires issuers to disclose their corporate governance practices and National Policy 58-201 - *Corporate Governance Guidelines* (“NP 58-201”) provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company’s shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the Board’s opinion, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company’s internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are Barry Carlson, Molly Falconer de Ramel, William Hammersla and Michael McConnell. Messrs. Paterson and Kiesman are not independent as they are officers of the Company.

## Directorships

Certain members of the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:

Name of director	Name of Reporting Issuer	Exchange
Robert Kiesman	Four Arrows Capital Corp.	TSX-V
	FTC Cards Inc.	N/A

## Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

## Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate

Legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees proposed are generally the result of recruitment efforts by the members of the Board, including both formal and informal discussions among the members of the Board.

## Compensation

The Compensation Committee is responsible for making recommendations to the Board with respect to compensation for the directors and officers of the Company. The Board has the ability to adjust and approve such compensation. The current members of the Compensation Committee are Messrs. Hammersla, Carlson and McConnell.

## Other Board Committees

In addition to the Audit Committee and Compensation Committee, the Board also has an M&A Advisory Committee.

### *M&A Advisory Committee*

The M&A Advisory Committee is responsible for reviewing potential acquisitions and reporting to management of the Company with recommendations concerning specific acquisitions. The current members of the M&A Advisory Committee are Robert Kiesman (Chair) and Ed Hammersla. The members of the M&A Advisory Committee do not receive any compensation for their participation.

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the Audit Committee on an ongoing basis.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

For the purpose of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be a named executive officer 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.

## Director and Named Executive Officer Compensation

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Ian L Paterson, CEO and director, Roland Sartorius, CFO and Corporate Secretary, and Jord Tanner, Chief Technology Officer (“CTO”). Robert Kiesman, former CEO and director resigned as CEO on September 17, 2020. Mark Orsmond, former CFO, Corporate Secretary and director resigned on September 17, 2020.

The Directors of the Company who were not NEOs during the financial year ended December 31, 2020 were: Robert Kiesman, Barry Carlson, Mike McConnell and Ed Hammersla. Mark Orsmond, Merv Chia and Kendra Low resigned as directors of the Company on September 17, 2020. Barry Carlson, Mike McConnell and Ed Hammersla were appointed directors on September 17, 2020.

During the financial year ended September 30, 2019, based on the definition above, the NEOs of the Company were: Robert Kiesman, former CEO and director, Mark Orsmond, former CFO, Corporate Secretary and director.

The Directors of the Company who were not NEOs during the financial year ended September 30, 2019 were: Merv Chia and Kendra Low.

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2020 and September 30, 2019. Options and compensation securities are disclosed under the heading “Stock Options and Other Compensation Securities” in this Form.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2020 and September 30, 2019**

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ian L. Paterson <sup>(1)</sup> CEO and Director	2020	58,409	5,980	Nil	Nil	Nil	64,389
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Roland Sartorius <sup>(2)</sup> CFO and Corporate Secretary	2020	43,750	8,750	Nil	Nil	Nil	52,500
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Jord Tanner <sup>(3)</sup>	2020	43,313	Nil	Nil	Nil	Nil	43,313

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
CTO	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Kiesman <sup>(4)</sup> Chairman and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Barry Carlson <sup>(5)</sup> Director	2020	Nil	Nil	Nil	Nil	108	108
	2019	Nil	Nil	Nil	Nil	Nil	Nil
William Hammersla <sup>(6)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Michael McConnell <sup>(7)</sup> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Mark Orsmond <sup>(8)</sup> Former CFO, Corporate Secretary & Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Kendra Low <sup>(9)</sup> Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Merv Chia <sup>(10)</sup> Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Paterson was appointed CEO and Director effective September 17, 2020.
- (2) Mr. Sartorius was appointed CFO and Corporate Secretary effective September 17, 2020.
- (3) Mr. Tanner was appointed CTO effective September 17, 2020.
- (4) Mr. Kiesman was appointed to the Board of Directors on July 5, 2018 and was CEO from July 5, 2018 to September 17, 2020.
- (5) Mr. Carlson was appointed to the Board of Directors on September 17, 2020.
- (6) Mr. Hammersla was appointed to the Board of Directors on September 17, 2020.
- (7) Mr. McConnell was appointed to the Board of Directors on September 17, 2020.
- (8) Mr. Orsmond was CFO and a Director from July 5, 2018 to September 17, 2020.
- (9) Ms. Low was a Director from December 11, 2018 to September 17, 2020.
- (10) Mr. Chia was a Director from July 5, 2018 to September 17, 2020.

## **Stock Options and Other Compensation Securities**

The Company has a fixed share option plan (option-based awards) in place. See descriptions of the Fixed Share Option Plan below.

### **Fixed Share Option Plan** (Option-Based Awards)

The Company has a 20% fixed share option plan dated for reference October 26, 2020 (the “Fixed Option Plan”), which is to be approved by the Meeting. The Fixed Option Plan is designed to provide certain directors, officers and other key employees of the Company with incentive share options at the discretion of the Board. Under the Fixed Option Plan, as of May 18, 2021, a maximum of 11,738,051 common shares are reserved for Options, together with all other share compensation arrangements. Options are to be granted at the discretion of the Board to Service Providers as defined in the Fixed Option Plan.

The material terms of the Fixed Option Plan are as follows:

- (a) Service Provider means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (b) Maximum Plan Shares - The aggregate number of Fixed Option Plan Shares that may be reserved for issuance under the Fixed Option Plan, together with all other share compensation arrangements of the Company, as of May 18, 2021, is fixed at 11,738,051 Shares, unless the Fixed Option Plan is amended pursuant to the requirements of TSX Venture Exchange Policies.
- (c) Limitations on Issue - the following restrictions on issuances of Options are applicable under the Fixed Option Plan:
  - (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the outstanding Common Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
  - (ii) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the outstanding Common Shares, calculated at the time of grant, without the prior consent of the; and
  - (iii) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the outstanding Common Shares, calculated at the time of grant, without the prior consent of the TSX Venture Exchange (the “TSXV”).

- (d) Maximum Percentage to Insiders. The aggregate number of Common Shares reserved for issuance to Insiders under the Fixed Option Plan will not exceed 10% of the Company's outstanding Common Shares.
- (e) Maximum Percentage to Insiders within any one-year period. The number of Common Shares issued to Insiders within any one-year period, under the Fixed Option Plan will not exceed 10% of the Company's outstanding Common Shares.
- (f) Exercise Price. The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Fixed Option Plan, and cannot be less than the Discounted Market Price (as defined by Policy 1.1 of the TSXV);
- (g) Vesting of Options. Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Fixed Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
  - (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
  - (ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.
- (h) Vesting of Options Granted to Consultants Conducting Investor Relations Activities. Options granted to Consultants conducting Investor Relations Activities will vest:
  - (i) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
  - (ii) such longer vesting period as the Board may determine
- (i) Term of Option. An Option can be exercisable for a maximum of 10 years from the Effective Date.
- (j) Expiry Date. Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
  - (i) in the case of the death of an Optionee, any vested Option held by such Optionee at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one

- year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
  - (iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.
- (k) Assignability of Options. All Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
- (l) Amendment of the Plan by the Board of Directors. Subject to the requirements of TSXV policies, and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Fixed Option Plan or any granted Options as follows:
- (i) it may make amendments which are of a typographical, grammatical or clerical nature only;
  - (ii) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSXV, if applicable;
  - (iii) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
  - (iv) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
  - (v) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
  - (vi) it may make such amendments as reduce, and do not increase, the benefits of this Fixed Option Plan to Service Providers.
- (m) Amendments Requiring Disinterested Shareholder Approval. The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Fixed Option Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
    - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the outstanding Common Shares in the event that the Fixed Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares;
    - (ii) the number of optioned Common Shares issued to Insiders within a one-year period exceeding 10% of the outstanding Common Shares in the event that the Fixed Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares; or,
    - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the outstanding Common Shares; or
  - (b) any reduction in the Exercise Price of an Option previously granted to an Insider.
- (n) Takeover Bid. If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to the approval of TSXV for vesting requirements imposed by TSXV policies.
- (o) Black-Out Period. The Option Plan also contains a "black-out" provision. Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to the approval of TSXV, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding provisions in the Fixed Option Plan, the tenth Business Day period referred to in the Fixed Option Plan may not be extended by the Board.
- (p) Options Under the Company's 2019 "rolling" Stock Option Plan. Any Options granted under the terms of the Company's 2019 10% "rolling" Stock Option Plan will be governed by the terms of the Fixed Option Plan and shall be subject to the provisions of the Fixed Option Plan and to the extent legal to do so, shall be deemed to have been granted under the Fixed Option Plan.

See "*PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification and Approval of Fixed Option Plan*" below.

## Outstanding Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's Option Plan granted to each Director and NEO by the Company during the financial years ended December 31, 2020 and September 30, 2019:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant <sup>(2)</sup>	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 <sup>(3)</sup> (\$)	Expiry Date <sup>(2)</sup>
Ian L. Paterson, CEO and Director	Options	1,050,000 (13%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		600,000 (7%)	2020-12-08	\$0.35	\$0.35	\$0.40	2030-12-08
		Nil	N/A	N/A	N/A	\$0.20	N/A
Roland Sartorius, CFO and Corporate Secretary	Options	900,000 (11%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		600,000 (7%)	2020-12-08	\$0.35	\$0.35	\$0.40	2030-12-08
		Nil	N/A	N/A	N/A	\$0.20	N/A
Jord Tanner, CTO	Options	675,000 (8%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		Nil	N/A	N/A	N/A	\$0.20	N/A
Robert Kiesman Chairman and Director	Options	138,750 (2%)	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
		750,000 (9%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		277,500 (25%)	2019-02-08	\$0.10	\$0.10	\$0.20	2020-10-27 <sup>(4)</sup>
Barry Carlson Director	Options	300,000 (4%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		Nil	N/A	N/A	N/A	\$0.20	N/A
William Hammersla Director	Options	300,000 (4%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		Nil	N/A	N/A	N/A	\$0.20	N/A
Michael McConnell Director	Options	300,000 (4%)	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		Nil	N/A	N/A	N/A	\$0.20	N/A

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant <sup>(2)</sup>	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 <sup>(3)</sup> (\$)	Expiry Date <sup>(2)</sup>
Mark Orsmond Former CFO, Corporate Secretary & Director	Options	138,750 (2%)	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
		277,500 (25%)	2019-02-08	\$0.10	\$0.10	\$0.20	2020-10-27 <sup>(4)</sup>
Kendra Low Former Director	Options	138,750 (2%)	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
		277,500 (25%)	2019-02-08	\$0.10	\$0.10	\$0.20	2020-10-27 <sup>(4)</sup>
Merv Chia Former Director	Options	138,750 (2%)	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
		277,500 (25%)	2019-02-08	\$0.10	\$0.10	\$0.20	2020-10-27 <sup>(4)</sup>

Notes:

- 1) Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of December 31, 2020 and September 30, 2019.
- 2) Date format is YYYY-MM-DD.
- 3) Closing price of the Issuer's common shares as at December 31, 2020 and September 30, 2019.
- 4) These options were replaced by options granted on October 27, 2020.

### Exercise of Compensation Securities by NEOs and Directors

The following table sets out each exercise of an option-based award by a NEO or a director who was not a NEO during the fiscal year ended December 31, 2020:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The following table sets out each exercise of an option-based award by a NEO or a director who was not a NEO during the fiscal year ended September 30, 2019:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## Employment, Consulting and Management Agreements

### Engagement Agreement with Ian L. Paterson, CEO

Mr. Paterson entered into an employment agreement with Plurilock dated January 1, 2016 (the “Paterson Agreement”). The Paterson Agreement was subsequently amended on November 28, 2016, June 1, 2017, October 11, 2018, April 1, 2020 and December 8, 2020. Pursuant to the Paterson Agreement, Mr. Paterson currently receives: (i) an annual base salary of \$175,000; and (ii) an annual bonus determined in discretion of the Plurilock Board of up to a maximum of \$50,000, in a combination of certain objective and subjective milestones, including an objective bonus equally to 2.5% of collected revenues. Mr. Paterson is also entitled to participate in Plurilock’s benefit plan. The term of the Paterson Agreement is indefinite. In the event of termination without cause, Mr. Paterson is entitled to a severance equal to twelve (12) month’s salary.

The Plurilock Board considers that the salary paid to Ian Paterson is comparable within the industry. The Plurilock Board confirms that fees payable under the Paterson Agreement are fair and reasonable and were negotiated on an arm’s length basis with Ian Paterson and on conventional terms.

### Consulting Agreement with Roland Sartorius, CFO

On November 1, 2017, Plurilock entered into a consulting agreement (the “Sartorius Agreement”) with RoJan Consulting Ltd., a private company owned and controlled by Roland Sartorius. The Sartorius Agreement was subsequently amended on June 15, 2018, November 1, 2018, April 1, 2020 and December 8<sup>th</sup>, 2020. Pursuant to the terms of the Sartorius Agreement, Mr. Sartorius acts as Plurilock’s CFO and Corporate Secretary and currently receives (i) an annual base fee of \$150,000 plus applicable taxes and (ii) a discretionary year-end bonus equal to 25% of his annual base fee. The term of the Sartorius Agreement is indefinite. In the event of termination without cause, Mr. Sartorius is entitled to severance of twelve (12) months’ consulting fees.

The Plurilock Board considers that the fees paid to Roland Sartorius are comparable within the industry. The Plurilock Board confirms that fees payable under the agreement are fair and reasonable and were negotiated on an arm’s length basis with Roland Sartorius and on conventional terms.

### Employment Agreement with Jord Tanner, CTO

Mr. Tanner entered into an employment agreement with Plurilock dated February 8, 2018 (the “Tanner Agreement”). Pursuant to the Tanner Agreement, Mr. Tanner currently receives an annual base salary of \$135,000. Mr. Tanner is also entitled to participate in Plurilock’s benefit plan. The term of the Tanner Agreement is indefinite, though either party may terminate the Tanner Agreement subject to statutory requirements. The Tanner Agreement does not contain any provisions with respect to change of control, severance, termination or constructive dismissal.

The Plurilock Board considers that the salary paid to Jord Tanner is comparable within the industry. The Plurilock Board confirms that fees payable under the Tanner Agreement are fair and reasonable and were negotiated on an arm’s length basis with Jord Tanner and on conventional terms.

Other than as set out above, there are presently no management contracts with the Company.

### **Oversight and Description of Director and NEO Compensation**

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“**Base Salary**”), an incentive compensation plan (“**Incentive Compensation**”) and equity compensation (the “**Equity Compensation**”) designed to be competitive with comparable employers. In considering executive management’s compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company’s shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company’s NEOs, including the CEO and the CFO is determined by the Company’s Compensation Committee. The Compensation Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Compensation Committee is responsible for 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.

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

### Philosophy and Objectives

The Company is a small company with limited resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review.

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted are determined by the compensation committee based on recommendations put forward by the CEO.

### Risks Associated with the Company's Compensation Practices

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

The Company's Compensation Committee is composed of senior technology and cybersecurity

executives / veterans, some of which are on several similar boards. They have a vast knowledge of the industry and use that as a basis to design the executive management compensation. No specific “peer group” is used to determine the executive compensation.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the technology industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer’s overall performance and performance in relation to the achievement of corporate milestones and objectives.

Financial years ended December 31, 2020 and September 30, 2019

During the financial years ended December 31, 2020 and September 30, 2019, compensation of key management personnel and related parties were as follows:

Name and Position	December 31, 2020	September 30, 2019
<b>Remuneration, bonus, fees and short-term benefits</b>	<b>\$</b>	<b>\$</b>
Ian L. Paterson, CEO and Director	64,389	Nil
Roland Sartorius, CFO and Corporate Secretary	52,500	Nil
Jord Tanner, CTO	43,313	Nil
Robert Kiesman Chairman and Director	Nil	Nil
Barry Carlson, Director	Nil	Nil
William Hammersla, Director	Nil	Nil
Michel McConnell, Director	Nil	Nil
Mark Orsmond Former CFO, Corporate Secretary & Director	Nil	Nil
Kendra Low, Former Director	Nil	Nil
Merv Chia, Former Director	Nil	Nil
<b>Total</b>	<b>160,202</b>	<b>Nil</b>

The remuneration, fees and short-term benefits were allocated to general and administrative, sales and marketing, and research and development expenses.

The remuneration, fees and short-term benefits include salaries accrued to the CEO and CTO as well consulting fees accrued to the CFO of the Company. The employment agreements and

consulting agreement with the CEO, CFO and CTO were ratified by the Board of Directors and are reviewed periodically.

As at December 31, 2020, \$nil (September 30, 2019 - \$nil) was due to related parties.

The following table set forth the outstanding balances owed by the Company to related parties of each NEO and a director who was not a NEO as at financial years ended December 31, 2020 and September 30, 2019:

<b>Due to Related Parties</b>	
<b>December 31, 2020</b>	<b>September 30, 2019</b>
\$ nil	\$ nil

#### *Benefits and Perquisites*

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options or as otherwise disclosed and discussed herein.

#### *Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

#### **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

#### **Equity Compensation Plan Information**

The following table discloses options to purchase Common Shares outstanding pursuant to the Company's stock option plan and Common Shares remaining available for grant of options pursuant to the stock option plan for the financial year ended December 31, 2020.

<b>Equity Compensation Plan Information</b>			
	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (\$)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by securityholders – the Stock Option Plan	7,964,657	\$0.33	1,046,501
<b>Total</b>	7,964,657	\$0.33	1,046,501

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company’s most recently completed financial years ended December 31, 2020 and September 30, 2019, or as at the date hereof.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during either of the financial years ended December 31, 2020 and September 30, 2019, or has any interest in any material transaction in either year other than as set out herein and as are disclosed in Note 24 - Related Party Transactions in the annual financial statements for the fiscal year ended December 31, 2020 and Note 6 – Related Party Transactions in the annual financial statements for the fiscal year ended September 30, 2019.

### **MANAGEMENT CONTRACTS**

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

- A. Set Number of Directors - see “*Election of Directors*” above.
- B. Election of Directors – see “*Election of Directors*” above.
- C. Appointment of Auditor – see “*Appointment of Auditor*” above.
- D. Ratification and Approval of Fixed Option Plan – see “*Ratification and Approval of Fixed Option Plan*” below.

- E. Alteration to Articles to include Advance Notice Provisions – see “*Alteration of Articles to include Advance Notice Provisions*” below.
- F. Ratification of Stock Options issued after September 17, 2020 – see “*Ratification of Stock Options issued after September 17, 2020*” below.

### **Ratification and Approval of Fixed Option Plan**

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to ratify, confirm and approve adoption of the Fixed Option Plan, the material terms of which are summarized under “*Stock Options and Other Compensation Securities*” above.

A copy of the Fixed Option Plan will be available for review by any Shareholder at the Meeting and is attached as Schedule A to this Information Circular.

### **Shareholder Approval of Fixed Option Plan**

In accordance with TSXV policies, the Fixed Option Plan must be approved by a simple majority of the votes cast at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to ratify, confirm and approve adoption of the Fixed Option Plan, with or without variation:

“Resolved that:

1. adoption of the fixed number share option plan (the “Fixed Option Plan”) by the Company’s Board of Directors (the “Board”) effective October 26, 2020, and as more particularly described in the Information Circular of the Company dated May 20, 2021, be and is hereby ratified, confirmed and approved;
2. the maximum number of Common Shares to be made available for reserve under the Fixed Option Plan, together with all Shares available for reserve under all other Share Compensation Arrangements of the Company, be fixed at 11,738,051 Common Shares, for exercise of options granted under the Fixed Option Plan at an exercise price to be determined at the discretion of the Board in accordance with the Fixed Option Plan;
3. the Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Common Shares specified in the Fixed Option Plan granted to Eligible Persons;
4. any two officers or directors of the Company be authorized to execute such treasury order, or treasury orders, as may be necessary to effect the issuance of Common Shares upon exercise of Options granted pursuant to the Fixed Option Plan; and

5. any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds and things and execute, under seal of the Company or otherwise, all such documents as may be required to give effect to this resolution.”

An *ordinary resolution* is a resolution presented at a general meeting of the Company and must be passed by a simple majority of the votes cast in person or by proxy on the resolution.

***Proxies received in favour of management will be voted in favour of the Fixed Share Option Plan Resolution unless the Shareholder has specified in the Proxy that his or her Shares are to be voted against such resolution.***

### **Alteration of the Articles to Include Advance Notice Provision**

#### *(a) Introduction*

The directors of the Company are proposing that the Articles of the Company be altered to include an advance notice provision (the “**Advance Notice Provision**”), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule B to this Information Circular.

#### *(b) Purpose of the Advance Notice Provision*

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

#### *(c) Effect of the Advance Notice Provision*

Subject only to the Act and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or

who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (within the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provision and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the meeting, a written representation and

agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provision: (a) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (b) “**Applicable Securities Laws**” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable provinces and territories of Canada.

Notwithstanding any other provision of the Advance Notice Provision, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(d) *Shareholder Confirmation*

Under the Articles and the Act, the Company's governing statute, the alteration of the Company's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Company by a special resolution. Accordingly, shareholders will be asked at the Meeting to vote on a special resolution (the “**Advance Notice**”

**Provision Resolution**”), the text of which is contained in Schedule A to this Information Circular, to approve the alteration of the Articles of the Company to include the Advance Notice Provision.

*(e) Recommendation of the Board*

The Board has concluded that the Advance Notice Provision is in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders ratify, confirm and approve an alteration of the Company’s Articles by voting FOR the Advance Notice Provision Resolution, attached hereto as Schedule B, at the Meeting.

**Proxies received in favour of management will be voted in favour of the alteration of the Articles, unless the shareholder has specified in the Proxy that his or her Common Shares be voted against such resolution.**

**Ratification of Stock Options issued after September 17, 2020**

At the Meeting, disinterested shareholders will be asked to pass an ordinary resolution to ratify and approve directors’ resolutions dated October 27, 2020, December 8, 2020, February 3, 2021, March 5, 2021 and March 14, 2021 to grant an aggregate of 5,575,000 stock options exercisable for an aggregate of 5,575,000 Common Shares to Insiders (as that term is defined under the policies of the TSXV) of the Company, as set out below:

<u>Name of Optionee</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Robert Kiesman	750,000	\$0.34	October 27, 2030
Mike McConnell	300,000	\$0.34	October 27, 2030
William Edward Hammersla, III	300,000	\$0.34	October 27, 2030
	100,000	\$0.56	March 5, 2021
Barry Carlson	300,000	\$0.34	October 27, 2030
Ian Paterson	1,050,000	\$0.34	October 27, 2030
	600,000	\$0.35	December 8, 2030
Roland Sartorius	900,000	\$0.34	October 27, 2030
	600,000	\$0.35	December 8, 2030
Jord Tanner	675,000	\$0.34	October 27, 2030
Molly Falconer de Ramel	300,000	\$0.67	March 14, 2026
<b>Total</b>	<b>5,575,000</b>		

The text of the ordinary resolution disinterested shareholders will be asked to approve is as follows:

“**RESOLVED** as an ordinary resolution that the 5,575,000 stock options issued under the Company’s share option plan dated for reference October 26, 2020 on October 27, 2020, December 8, 2020, February 3, 2021, March 5, 2021 and March 14, 2021, be and are hereby ratified and approved.”

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting, however, should any other matters properly come before the Meeting, the

Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the proxy.

A disinterested shareholder approval will exclude Common Shares held by Shareholders who are also “insiders”, as such term is defined under applicable securities laws, from the count of votes cast.

### **ADDITIONAL INFORMATION**

Financial information is provided in the Company’s audited financial statements for the years ended December 31, 2020 and September 30, 2019 and the related management’s discussion and analyses (the “Financial Statements”). The Financial Statements will be placed before the Meeting.

Additional information relating the Company and a copy of the Financial Statements may be obtained under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) or upon request from the Company at Suite 330 – 702 Fort Street, Victoria, BC V8W 1H2, Telephone No. (250) 590-2383. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board of the Company.

**DATED** at Vancouver, British Columbia this 20<sup>th</sup> day of May, 2021.

### **BY ORDER OF THE BOARD**

*“Ian Paterson”*

**Ian Paterson**  
**Chief Executive Officer**

**SCHEDULE A**  
**TO**  
**2021 INFORMATION CIRCULAR OF**  
**PLURILOCK SECURITY INC.**  
**FIXED SHARE OPTION PLAN**  
**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

**Definitions**

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Code** means the U.S. Internal Revenue Code of 1986, as amended;
- (g) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);
- (h) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
  - (i) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
    - (ii) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
    - (iii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
    - (iv) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
    - (v) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
  - (i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
  - (j) **Directors** means the directors of the Company as may be elected from time to time;
  - (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date for an Option** means the date of grant thereof by the Board;
- (o) **Employee** means:
  - (i) an individual who is considered an employee under the Income Tax Act Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Certificate therefor or in accordance with the terms of this Plan;
- (s) **Fair Market Value** means the closing sales price on most recent trade date immediately prior to the valuation date provided such trade date is no more than thirty (30) days prior to the valuation date. If there has been no trade date within such thirty (30) day period, the fair market value shall be determined in good faith by the Board;
- (t) **Incentive Stock Option** means an Option which is intended to qualify as an incentive stock option under Section 422 of the Code;
- (u) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

- (v) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (x) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (y) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (z) **NEX Issuer** means a company listed on NEX;
- (aa) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (bb) **Officer** means a Board appointed officer of the Company;
- (cc) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (dd) **Option Certificate** means the certificate evidencing the grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (ee) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (ff) **Optionee** means the recipient of an Option hereunder;
- (gg) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (hh) **Participant** means a Service Provider that becomes an Optionee;
- (ii) **Person** includes a company, any unincorporated entity, or an individual;
- (jj) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (kk) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (ll) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

- (mm) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (nn) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (oo) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, share option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (pp) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (qq) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (*Take-over Bids and Issuer Bids*) or the analogous provisions of securities legislation applicable to the Company;
- (rr) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (ss) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

### **Other Words and Phrases**

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

### **Gender**

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2 SHARE OPTION PLAN**

### **Establishment of Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

2.2 The aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time shall not exceed 11,738,051 (which represents approximately 20% of the

Company's issued and outstanding Common Shares upon the date of approval of this Plan by the Board), unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Certificate in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 The Option Certificate of any Option which is intended to qualify as an Incentive Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option qualifies as an "incentive stock option" within the meaning of Section 422 of the Code. Further, the Option Certificate authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Board shall deem advisable and which are not inconsistent with the requirements of Section 422 of the Code.

2.6 No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Company or the approval of the Plan by the shareholders of the Company.

2.7 The Fair Market Value of the Shares (determined at the time the Option is granted) as to which Options designated as Incentive Stock Options are exercisable for the first time by any Service Provider during any single calendar year (under the Plan and under any other incentive stock option plan of the Company or an Affiliate) shall not exceed US\$100,000.

2.8 The sole class of Service Providers eligible to receive Incentive Stock Options under this Plan are executive officers of the Company.

2.9 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Certificate made hereunder.

### **Limitations on Issue**

2.10 Subject to §2.15, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation

Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;

- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

### **Options Not Exercised**

2.11 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

### **Powers of the Board**

2.12 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

### **Amendment of the Plan by the Board of Directors**

2.13 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (d) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the lesser of the original Expiry Date of such Option or 12 months from termination;
- (e) it may make amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture;
- (f) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

### **Amendments Requiring Disinterested Shareholder Approval**

2.14 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;
  - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares; or,
  - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

### **Options Granted Under the Company's Previous Share Option Plans**

2.15 Any option granted pursuant to a share option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued

under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

### **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

#### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price, and in the case of an Service Provider employed or performing services in the United States or otherwise subject to Section 409A or Section 422 of the Code, shall not be less than Fair Market Value on the date of grant. If the Optionee owns directly or by reason of the applicable attribution rules more than 10% of the total combined voting power of all classes of stock of the Company, the Option price per share of the Shares covered by each Option which is intended to be an Incentive Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value on the date of the grant.

#### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date; provided, however, that if the Option price is required under §3.1 to be at least 110% of Fair Market Value, each such Option shall terminate not more than five (5) years from the date of the grant thereof, and shall be subject to earlier termination as herein provided.

#### **Option Amendment**

3.3 Subject to §2.15(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

#### **Vesting of Options**

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to

time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

### **Effect of Take-Over Bid**

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Certificate, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

### **Acceleration of Vesting on Change of Control**

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

### **Extension of Options Expiring During Blackout Period**

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.13, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES**

##### **Option Certificate**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Certificate detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

##### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

### **Delivery of Optioned Shares and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.5 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Certificate.

## **ARTICLE 5 GENERAL**

### **Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

### **No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the Income Tax Act (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

### **Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

### **Continuation of Plan**

5.4 Subject to §2.7, the Plan will become effective from and after October 26, 2020, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to October 26, 2020.

### **Amendment of the Plan**

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

### **Savings Clause**

5.6 This Plan is intended to comply in all respects with applicable law and regulations, including Section 409A of the Code. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Section 409A of the Code), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Section 409A of the Code) so as to foster the intent of this Plan.

**SCHEDULE A**

**If issued to officers or directors or at a discount to the Market Price - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].**

**Insert the following U.S. legend if the Option is being issued to an Optionee who is in the United States or who is a U.S. person:**

**[THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.]**

**PLURILOCK SECURITY INC.**

**SHARE OPTION PLAN**  
**OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Plurilock Security Inc. (the "Company") share option plan (the "Plan") and evidences that \_\_\_\_\_ is the holder (the "Optionee") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the

capital stock of the Company at a purchase price of CAD\$ \_\_\_\_\_ per Share (the “**Exercise Price**”).

The Plan provides for the granting of stock options that either (i) are intended to qualify as “Incentive Stock Options” within the meaning of Section 422 of the United States Internal Revenue Code of 1986, as amended (the “Code”), or (ii) do not qualify as Incentive Stock Options under Section 422 of the Code (“Non-Qualified Stock Options”). This Option will only be treated as (select one):

- an Incentive Stock Option; or
- a Non-Qualified Stock Option.

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_, 20\_\_;
- (b) the Option expires at 5:00 p.m. (Vancouver Time) on \_\_\_\_\_, 20\_\_;  
and
- (c) the Options shall vest as follows:

<b>Date</b>	<b>Percent of Stock Options Vested</b>	<b>Number of Stock Options Vested</b>	<b>Aggregate Number of Stock Options Vested</b>

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (Vancouver Time) on the expiration date of the Option Period by delivering to the Company an Exercise Notice, in the form attached as Appendix “I” hereto, together with this Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

If the Optionee is a U.S. person or is located in the United States, the Optionee acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the “Securities”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (b) The Securities will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Company has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).
- (c) The Optionee understands that (i) if the Company is deemed to be an issuer that is, or that has been at any time previously, an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a “Shell Company”), Rule 144 under the U.S. Securities Act may not be available for resales of the Securities and (ii) the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities;
- (d) If the Optionee decides to offer, sell or otherwise transfer any of the Shares, the Optionee will not offer, sell or otherwise transfer any of the Shares directly or indirectly, unless:
  - (i) the sale is to the Company;
  - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
  - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
  - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Company an opinion of counsel reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws.

The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available.

The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were acquired at a time when the Company is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Company, in substantially the form set forth as Appendix “II” hereto (or in such other form as the Company may prescribe from time to time) and, if requested by the Company or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Company and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of

recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (e) Rule 905 of Regulation S provides in substance that any “restricted securities” that are equity securities of a “domestic issuer” (including an issuer that no longer qualifies as a “foreign issuer”) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Company is not a “foreign issuer” at the time of exercise of the related Options; and that the Company is not obligated to remain a “foreign issuer”.
- (f) “Domestic issuer”, “foreign issuer”, “United States” and “U.S. person” are as defined in Regulation S.
- (g) If the Optionee is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Certificate, the Optionee acknowledges that the Company, as a reporting issuer under the securities legislation in the Provinces of British Columbia, Alberta and Ontario, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “Financial Statements”). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Company’s profile at the following website address: [www.sedar.com](http://www.sedar.com). Copies of Financial Statements will be made available to the Optionee by the Company upon the Optionee’s request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**PLURILOCK SECURITY INC.**

---

Authorized Signatory

APPENDIX "I"

PLURILOCK SECURITY INC.

STOCK OPTION PLAN  
EXERCISE NOTICE

TO: PLURILOCK SECURITY INC. (the "Company")

1. The undersigned (the "Optionee"), being the holder of options to purchase \_\_\_\_\_ common shares of the Company at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Company (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Company.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Company to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in \_\_\_\_\_ [name of state/province].

5. The Optionee represents, warrants and certifies as follows (please check all of the categories that apply):

(a)  the Optionee at the time of exercise of the Option is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and is not exercising the Option on behalf of, or for the account or benefit of a U.S. person or a person in the United States and did not execute or deliver this exercise form in the United States;

(b)  the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a U.S. Accredited Investor and has completed the U.S. Accredited Investor Status Certificate in the form attached to this Exercise Notice;

- (c)  the undersigned holder is resident in the United States or is a U.S. person who is a resident of the jurisdiction referred to in the address appearing above, and is a natural person who is either: (i) a director, officer or employee of the Company or of a majority-owned subsidiary of the Company (each, an “Eligible Company Optionee”), (ii) a consultant who is providing bona fide services to the Company or a majority-owned subsidiary of the Company that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities (an “Eligible Consultant”), or (iii) a former Eligible Company Optionee or Eligible Consultant; and/or
- (d)  if the undersigned holder is resident in the United States or is a U.S. person, the undersigned holder has delivered to the Company and the Company’s transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Company) or such other evidence satisfactory to the Company to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available;

6. “United States” and “U.S. person” are as defined in Regulation S under the U.S. Securities Act.

**Note: Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 5(b), (c) or (d) above is checked.**

7. If the undersigned Optionee has marked Box 5(b), (c) or (d) above, the undersigned Optionee hereby represents, warrants, acknowledges and agrees that:
- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Company upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “PATRIOT Act”), and the undersigned acknowledges that the Company may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Company if the undersigned discovers that any of such representations ceases to be true and provide the Company with appropriate information in connection therewith;
- (b) the financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles or International Financial

Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;

- (c) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Shares. The Company gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities. In particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
  - (d) if the undersigned has marked Box 5(c) above, the Company may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Company to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(d).
8. If the undersigned Optionee has marked Box 5(b) above, the undersigned represents and warrants to the Company that:
- (a) the Optionee has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
  - (b) the Company has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Company as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Shares;
  - (c) the undersigned is: (i) purchasing the Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; and (ii) is purchasing the Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and
  - (d) the undersigned has not exercised the Option as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet, or broadcast over radio, television or other form of telecommunications or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

9. If the undersigned has indicated that the undersigned is a U.S. Accredited Investor by marking Box 5(b) above, or if the undersigned has marked Box 7(c) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:
- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
  - (b) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.
10. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Optionee**

## U.S. ACCREDITED INVESTOR STATUS CERTIFICATE

In connection with the exercise of an option to purchase common shares of **PLURILOCK SECURITY INC.** (the “Company”) by the Optionee, the Optionee hereby represents and warrants to the Company that the Optionee satisfies one or more of the following categories of Accredited Investor (**please initial each category that applies**):

\_\_\_\_\_ (1) Any director or executive officer of the Company; or

\_\_\_\_\_ (2) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase of the Shares contemplated by the accompanying Exercise Notice, exceeds US\$1,000,000 (for the purposes of calculating net worth: (i) the person’s primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person’s primary residence, up to the estimated fair market value of the primary residence at the time of the purchase of the Shares, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time execution of the accompanying Exercise Notice exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person’s primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability); or

\_\_\_\_\_ (3) A natural person who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

\_\_\_\_\_ (4) An organization described in Section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of US\$5,000,000; or

\_\_\_\_\_ (5) An entity in which all of the equity owners meet the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an Accredited Investor).

## APPENDIX "II"

### FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Plurilock Security Inc. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of \_\_\_\_\_  
(the "**Securities**") of the Company, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated \_\_\_\_\_ 20\_\_.

**X** \_\_\_\_\_  
Signature of individual (if Seller **is** an individual)

**X** \_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory  
(**please print**)

**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (b)(2)(B) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") dated \_\_\_\_\_, with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "**Securities**") of the Company represented by certificate number \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "United States" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: 20\_\_.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE B**  
**TO**  
**2021 INFORMATION CIRCULAR OF**  
**PLURILOCK SECURITY INC.**  
**TEXT OF**  
**ADVANCE NOTICE PROVISION RESOLUTION**

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- 1) the Articles of the Company be altered by adding to the end of Part 14 – *Election and Removal of Directors* of the Company, a new section 14.12 – *Nomination of Directors*, as set out in Schedule C to the Company’s Information Circular dated May 20, 2021;
- 2) the Company be and is hereby authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the shareholders; and
- 3) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.”

**SCHEDULE C**  
**TO**  
**2021 INFORMATION CIRCULAR OF**  
**PLURILOCK SECURITY INC.**  
**TEXT OF ALTERATION TO ARTICLES**  
**ADVANCE NOTICE PROVISION**

**“Nomination of Directors**

14.12

- (a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (iii) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).

- (c) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

- (d) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
  - (ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned

beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

- (e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this §14.12:
  - (i) “**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
  - (ii) “**Applicable Securities Laws**” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

- (iii) **“Associate”**, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;
- (iv) **“Derivatives Contract”** shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
- (v) **“Meeting of Shareholders”** shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) **“owned beneficially”** or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on

condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

- (vii) “**public announcement**” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).”