



**ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS**

**TO BE HELD ON TUESDAY, APRIL 16, 2019**

**NOTICE OF MEETING  
AND MANAGEMENT INFORMATION CIRCULAR AND PROXY  
STATEMENT**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF BLACKLINE SAFETY CORP., OF PROXIES TO BE VOTED AT THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF BLACKLINE SAFETY CORP. TO BE HELD ON TUESDAY, APRIL 16, 2019.*

**TO BE HELD AT:**

**Dominion Bridge  
Unit 100, 803 24<sup>th</sup> Avenue S.E.  
Calgary, Alberta**

**At 3:00 p.m. (Calgary time)**



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Blackline Safety Corp. (the "**Corporation**") will be held at Dominion Bridge, Unit 100, 803 24<sup>th</sup> Avenue S.E., Calgary, Alberta, on Tuesday, April 16, 2019 at 3:00 p.m. (Calgary time), to:

1. receive and consider the audited financial statements of the Corporation for the financial year ended October 31, 2018 and the report of the auditor thereon;
2. elect five (5) directors for the ensuing year;
3. appoint PricewaterhouseCoopers LLP as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration as such;
4. consider, and if thought appropriate, to pass an ordinary resolution approving the Corporation's stock option plan, all as more particularly described in the accompanying management information circular – proxy statement of the Corporation dated March 12, 2019 (the "**Management Information Circular**"); and
5. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

**It is desirable that as many Common Shares as possible be represented at the Meeting. Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and deposit it with Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America), or 1-312-588-4290 (outside North America). In order to be valid and acted upon at the Meeting, Instruments of Proxy must be received by Computershare Trust Company not less than 48 hours (excluding, Saturdays, Sundays and statutory holidays in the Province of Alberta) before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

The board of directors of the Corporation has fixed the record date for the Meeting at the close of business on March 12, 2019 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers the ownership of his or her Common Shares after the Record Date and the transferee of those Common Shares establishes that he or she owns the Common Shares and demands not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Particulars of the foregoing matters are set forth in the accompanying Management Information Circular. The financial statements for the year ended October 31, 2018 and the report of the auditor of the Corporation thereon are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**DATED** at Calgary, Alberta March 12, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) "Cody Slater"*

**Cody Slater**

**Chief Executive Officer and Director**



**MANAGEMENT INFORMATION CIRCULAR – PROXY STATEMENT**  
**DATED MARCH 12, 2019**

**For the Annual and Special Meeting  
of Shareholders to be held on April 16, 2019**

**PROXIES**

**Solicitation of Proxies**

This management information circular – proxy statement (the "**Management Information Circular**") is provided in connection with the solicitation by the management of Blackline Safety Corp. (the "**Corporation**") of proxies from the holders of common shares (the "**Common Shares**") for the annual and special meeting of the shareholders ("**Shareholders**") of the Corporation (the "**Meeting**") to be held on Tuesday, April 16, 2019 at 3:00 p.m. (Calgary time) at Dominion Bridge, Unit 100, 803 24<sup>th</sup> Avenue S.E., Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of annual and special meeting ("**Notice of Meeting**").

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on March 12, 2019 (the "**Record Date**"). Only Shareholders of record on the Record Date are entitled to notice of, and to attend and vote at, the Meeting, unless a Shareholder transfers the ownership of his or her Common Shares subsequent to that date and the transferee of those Common Shares establishes that he or she owns the Common Shares and demands not less than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information in this Management Information Circular is given as at March 12, 2019.

**This solicitation is made on behalf of management of the Corporation.** The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The costs incurred in the preparation and mailing of the instrument appointing a proxy (the "**Instrument of Proxy**"), Notice of Meeting and this Management Information Circular will be borne by the Corporation. In addition to mailing Instruments of Proxy, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the Beneficial Shareholders (as defined below) by such persons, and since costs are being borne by the Corporation, the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The Corporation does not intend to pay for costs of an intermediary to deliver to objecting Beneficial Holders (as defined below) the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary* of NI 54-101, and objecting Beneficial Holders will not receive the materials unless their intermediary assumes the cost of delivery.

**Appointment and Revocation of Proxies**

The Instrument of Proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named (the "**Management Designees**") in the enclosed Instrument of Proxy have been selected by the Board and have indicated their willingness to represent, as proxy, the Shareholder who appoints them. **A Shareholder has the right to designate a person (who need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy, the name of the person to be designated and by striking out the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the Corporation's transfer agent, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America), or 1-312-588-4290 (outside North America). Shareholders should notify any nominee that is not a Management Designee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, ON M5J 2Y1, Attention: Proxy Department or faxed to Computershare Trust Company at 1-866-249-7775, at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

**A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.** In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Trust Company, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, ON M5J 2Y1, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof.

#### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. 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 shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients (the Beneficial Shareholder). **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from their clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another

intermediary. Broadridge typically prepares a machine readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of Internet or telephone, for example). Broadridge then 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 voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported) as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

#### **Exercise of Discretion by Proxy**

Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting, by properly executed proxies, will be voted or withheld from voting (including the voting on any ballot) and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy accepted by the Corporation, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments or variations of those matters identified in the Instrument of Proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. As of the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

#### **QUORUM**

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders of the Corporation if at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting are present.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at March 12, 2019 there were 47,328,028 Common Shares issued and outstanding and no preferred shares issued and outstanding. The Common Shares are the only shares entitled to be voted at the Meeting and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares as at the Record Date (being March 12, 2019) are entitled to vote such Common Shares at the Meeting except to the extent that: (a) the Shareholder has transferred the ownership of any of his, her or its Common Shares, as applicable, after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it, as applicable, owns the Common Shares, and demands not later than ten (10) days before the Meeting that his, her or its name, as applicable, be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his, her or its Common Shares, as applicable, at the Meeting.

Other than as stated below, to the best of the knowledge of the Corporation's directors and executive officers, as at the date hereof, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares.

<u>Name of Shareholder</u>	<u>Common Shares Owned, Controlled or Directed<sup>(2)</sup></u>	<u>Percentage of the Outstanding Common Shares of the Corporation</u>
DAK Capital Inc.	11,979,464	25.3%

Notes:

- (1) This information as to Common Shares owned, controlled or directed, has been furnished by the respective Shareholder based on public filings.
- (2) DAK Capital Inc. ("**DAK**") has been provided the right that, so long as DAK (including any affiliates of DAK) owns and controls (directly or beneficially) greater than 5% of the outstanding Common Shares on a fully diluted basis, DAK shall have the right to nominate one individual to be a director of the Corporation (the "**DAK Nominee**"). See "*Interests of Informed Persons in Material Contracts*".

### **MATTERS TO BE ACTED UPON AT THE MEETING**

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting and detailed below.

#### **Receipt of the Financial Statements and Auditors' Report**

At the Meeting, Shareholders will receive and consider the audited financial statements of the Corporation for the year ended October 31, 2018 and the auditors' report thereon. The audited financial statements of the Corporation for the year ended October 31, 2018 and the auditors' report thereon have been approved by the Board and no formal action is required, or proposed to be taken, at the Meeting with respect to these financial statements. These financial statements are available at the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Election of Directors**

The Corporation currently has five (5) directors for whom their term of office expires at the Meeting. All of the directors are standing for re-election as directors of the Corporation at the Meeting. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying Instrument of Proxy in favour of the election as directors for the ensuing year the five (5) nominees hereinafter set forth:**

Cody Slater	Robert Herdman
Michael Hayduk	Brad Gilewich
Dr. John Finbow	

Management does not contemplate that any of such nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta).

The following table sets forth various details with respect to each of the persons proposed to be nominated for election as a director.

<b>Name, Province/State and Country of Residence</b>	<b>Position Presently Held</b>	<b>Director Since</b>	<b>Principal Occupation During the Five Preceding Years</b>	<b>Number and Percentage<sup>(1)</sup> of Common Shares Beneficially Owned or Controlled or Directed on March 12, 2019</b>
<b>Cody Slater</b> Alberta, Canada	Chief Executive Officer, Chairman and Director	February 25, 2009	CEO of Blackline Safety Corp.	1,329,341 2.8%
<b>Dr. John Finbow<sup>(2)(3)</sup></b> Alberta, Canada	Director	January 10, 2011	Independent businessman providing an advisory role to technology firms	902,343 <sup>(5)</sup> 1.9%
<b>Michael Hayduk<sup>(2)</sup></b> Alberta, Canada	Director	February 25, 2009	Lawyer with Smith Mack Lamarsh	15,000 0.0%
<b>Robert Herdman<sup>(2)(3)</sup></b> Alberta, Canada	Director	April 5, 2011	Retired. Formerly a partner with PricewaterhouseCoopers LLP.	30,000 0.1%
<b>Brad Gilewich<sup>(2)(4)</sup></b> Alberta, Canada	Director	June 23, 2016	Managing Director and COO at Katz Group	42,750 <sup>(6)</sup> 0.1%

Notes:

- (1) As at March 12, 2019 there were 47,328,028 Common Shares issued and outstanding.
- (2) Member of the Audit Committee. Robert Herdman is the Chairman of the Audit Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) Mr. Gilewich is standing for election as the DAK Nominee.
- (5) Includes 218,340 Common Shares controlled by Dr. John Finbow but registered in the names of his spouse, children and grandchildren.
- (6) Mr. Gilewich is the nominee of DAK, which owns or controls 11,979,464 Common Shares, representing approximately 25.3% of the issued and outstanding Common Shares.

### ***Cease Trade Orders***

To the knowledge of the management of the Corporation, except as described below, none of the proposed directors is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that: (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Mr. Herdman, a director of the Corporation, served as a director of SemBioSys Genetics Inc. ("**SemBioSys**") a development stage biotechnology company, until May 1, 2012. On May 25, 2012, the Alberta Securities Commission issued a cease trade order against SemBioSys for failure to file the required certification of interim filings for the interim period ended March 31, 2012. The securities commission of each of British Columbia, Manitoba, Ontario and Quebec issued similar orders in respect of the failure to file the certification of interim filings.

### ***Bankruptcies***

Except as disclosed below, to the knowledge of the management of the Corporation, no proposed director of the Corporation is, or within the 10 years prior to the date of this Management Information Circular was: (a) declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or (b) was a director or executive officer of a corporation (including the Corporation) that while that person acting in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or 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.

Mr. Herdman served as a director of SemBioSys, a development stage biotechnology company, until May 1, 2012. On June 22, 2012, a secured creditor of SemBioSys was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession of and deal with specific assets of SemBioSys which had been pledged to that creditor.

### ***Penalties or Sanctions***

To the knowledge of management of the Corporation, no proposed director of the Corporation 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 be considered important to a reasonable securityholder in deciding whether to vote for a proposed director of the Corporation.

### **Appointment of Auditor**

Unless otherwise directed, it is management's intention to vote the proxies in favour of the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants ("**PwC**"), to serve as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration as such. PwC has acted as the auditor of the Corporation since October 11, 2006.

### **Approval of the Stock Option Plan**

Pursuant to the TSX Venture Exchange (the "**Exchange**") Policy 4.4 – *Incentive Stock Options* (the "**Option Policy**") the Corporation is permitted to maintain a "rolling" stock option plan (the "**Stock Option Plan**") reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options ("**Options**") granted under the Stock Option Plan. In accordance with the Option Policy, rolling option plans must receive shareholder approval yearly at the Corporation's annual meeting.

Shareholders will be asked at the Meeting to consider and if thought advisable, approve the existing Stock Option Plan (the "**Option Plan Resolution**"). The Shareholders of the Corporation last approved the Stock Option Plan at the annual and special meeting of Shareholders held on May 23, 2018. At the date of this circular the Corporation has 3,314,319 outstanding Options at an average exercise price of \$4.11 per Common Share.

The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants (collectively, "**Service Providers**") of the Corporation and of its subsidiaries and affiliates, if any, to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation.

The Stock Option Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board.



The Board may designate eligible Service Providers of the Corporation and its subsidiaries and affiliates to whom Options may be granted and the number of Common Shares to be optioned to each, provided that the number of Common Shares to be optioned will not exceed the limitations set out below:

- (a) the total number of Common Shares reserved for issuance on exercise of Options issued under the Stock Option Plan at any given time shall not exceed 10% of the aggregate of the issued and outstanding Common Shares at such time;
- (b) the aggregate number of Common Shares reserved for issuance to any one optionee in a 12-month period shall not exceed 5% of the number of issued and outstanding Common Shares (determined at the time an Option is granted);
- (c) the aggregate number of Common Shares reserved for issuance to any one consultant in a 12-month period shall not exceed 2% of the number of issued and outstanding Common Shares (determined at the time an Option is granted); and
- (d) the aggregate number of Common Shares reserved for issuance to all persons conducting investor relations activities in a 12-month period shall not exceed 2% of the number of issued and outstanding Common Shares (determined at the time an Option is granted).

Options that are cancelled, terminated or expire prior to the exercise of all or a portion thereof, will result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Stock Option Plan.

The Board (or appointed committee of the Board) may, in its sole discretion, determine: (i) the time during which Options will vest; and (ii) the method of vesting. The exercise price of Options shall be determined by the Board, provided however that the exercise price of Options shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed. The period during which an Option is exercisable shall be such period, not in excess of five (5) years, as may be determined by the Board at the time of grant (the "**Option Period**"). Options will not be assignable or transferable by the optionee either in whole or in part.

In addition, each Option shall provide that:

- (a) upon the death, permanent disability or normal retirement of an optionee, the Option shall terminate on the earlier of: (i) the end of the Option Period; (ii) the ninetieth (90th) day from date of normal retirement; or (iii) one (1) year from date of death or permanent disability;
- (b) if an optionee shall no longer be a Service Provider (other than by reason of death, permanent disability or normal retirement), the Option shall terminate at 5:00 p.m. on the earlier of: (i) the end of the Option Period; and (ii) the ninetieth (90th) day from the date the optionee ceases to be a Service Provider;
- (c) if an optionee engaged in investor relations activities of the Corporation ceases to be retained by the Corporation (other than by reason of death, permanent disability or normal retirement), the Option shall terminate at 5:00 p.m. on the earlier of: (i) the end of the Option Period; and (ii) the thirtieth (30th) day from the date the optionee ceases to be engaged in investor relations activities for the Corporation; and
- (d) if an optionee shall no longer be a Service Provider by reason of termination for cause, the Option shall terminate immediately on such termination for cause (whether notice of such termination occurs verbally or in writing);

provided that the number of Common Shares that an optionee (or his or her heirs or successors) shall be entitled to purchase until such date of termination shall be, in all cases, the number of Common Shares which such optionee was entitled to purchase on the date such optionee ceased to be a Service Provider.

In the event of a subdivision or consolidation of the outstanding Common Shares, a corresponding adjustment will be made changing the number of Common Shares deliverable upon the exercise of any Option granted prior to such event. In the event the Corporation is reorganized, merged, consolidated or amalgamated with another corporation, appropriate provisions will be made for the continuance of the Options outstanding under the Stock Option Plan.

The Stock Option Plan allows the Board to amend or discontinue the Stock Option Plan at any time subject to regulatory approval, and if deemed necessary or desirable by the Board, Shareholder approval.

A copy of the Stock Option Plan was attached as Exhibit I to the Corporation's management information circular dated May 19, 2008. A copy of such management information circular was filed on SEDAR on May 22, 2008 and can be found at [www.sedar.com](http://www.sedar.com). The Corporation will, upon request being made, provide a copy of such Stock Option Plan free of charge to a Shareholder.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve the following ordinary resolutions to approve the Stock Option Plan:

"BE IT RESOLVED THAT:

1. the stock option plan (the "**Stock Option Plan**") of Blackline Safety Corp. (the "**Corporation**"), as described in the management information circular and proxy statement of the Corporation dated March 12, 2019, be and is hereby approved and adopted as the Stock Option Plan of the Corporation;
2. the form of the Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further Shareholder approval; and
3. any one (or more) directors or officers of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

**In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of the ordinary resolution approving the Stock Option Plan.**

## STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's disclosure with respect to certain director and executive compensation matters and practises is set forth in Schedule "A" hereto.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) <sup>(1)</sup> (c)
Equity compensation plans approved by securityholders	2,680,652	\$3.61	1,748,816
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	2,680,652	\$3.61	1,748,816

Notes:

- (1) Represents the maximum number of additional Common Shares issuable under the Stock Option Plan and the ESOP based upon the 47,147,538 Common Shares outstanding as at October 31, 2018. Under the ESOP 285,285 Common Shares have been issued as at October 31, 2018. The aggregate number of Common Shares that may be reserved for issuance under the Stock Option Plan, together with any Common Shares issued under the ESOP, shall not exceed 10% of the Corporation's issued and outstanding shares. See "*Matters to be Acted Upon at the Meeting – Approval of the Stock Option Plan*" for the material terms of the Option Plan.

### INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time during the most recently completed fiscal year period was there any indebtedness of any executive officer, director, employee or any former executive officer, director or employee of the Corporation, or any associate of any of the foregoing, to the Corporation or to any other entity which is, or at any time since the beginning of the most recently completed financial period, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

### INTEREST OF INFORMED PERSONS IN MATERIAL CONTRACTS

Except as disclosed herein, there were no material interests, direct or indirect, of any Informed Persons (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed director, or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation, or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of the Corporation's subsidiaries and affiliates.

In connection with the subscription and purchase of Common Shares and warrants in the capital of the Corporation in February 2014, DAK, an insider of the Corporation by virtue of its ownership of the Corporation's voting securities, has been provided the contractual right to nominate a mutually agreeable individual to serve on the Board, subject to customary conditions and approvals, including maintaining a significant equity interest in the Corporation (5% of the issued and outstanding Common Shares on a non-diluted basis). Brad Gilewich has been presented to the Board by DAK for consideration and nomination as a director of the Corporation pursuant to DAK's above noted nomination right and Mr. Gilewich is included as a proposed director of the Corporation for election at the Meeting. See "*Matters to be Acted Upon at the Meeting – Election of Directors*".

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

Except as otherwise set out herein, no director or executive officer of the Corporation, or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. See also "*Interest of Informed Persons in Material Contracts*".

### AUDIT COMMITTEE INFORMATION

The following disclosure is provided in accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation is a venture issuer and relies on an exemption to provide the Audit Committee disclosure contained in this Management Information Circular as required by Form 52-110F2 - *Disclosure by Venture Issuers*.

#### Audit Committee's Charter

The Audit Committee Charter is attached as Schedule "B" to this Management Information Circular.

#### Composition of the Audit Committee

The current members of the Audit Committee, all of whom are independent directors and financially literate (for the purposes of NI 52-110), are Robert Herdman (Chairman), John Finbow, Michael Hayduk and Brad Gilewich.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

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 that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

The education and related experience of each of the Audit Committee members relevant to the performance of their responsibilities as members of the Audit Committee are set out below.

*Robert Herdman, FCA:* Mr. Herdman is a Fellow Chartered Accountant and was formerly a senior Partner at PwC in Calgary serving that firm's largest Calgary based public clients, with extensive experience in a number of industries including manufacturing, utilities, transportation, mining, oil and gas and financial services. After enjoying a 34-year career with PwC, Mr. Herdman retired from practice in 2010. He currently serves on the Boards of Directors of a number of companies and has served on a number of committees overseeing the practice of accounting in Alberta and as a director for a number of not for profit organizations. Mr. Herdman graduated with a Bachelor of Education degree from the University of Calgary.

*Dr. John Finbow:* Dr. Finbow has been involved in several start-up companies as an investor, director, and consultant both in the USA and the UK. Dr. Finbow was the former Chairman of BW Technologies Ltd. until the sale of the company to First Technology in 2004. Prior thereto, Dr. Finbow was a founding member of City Technology Ltd., a company designed to manufacture a range of electrochemical gas sensors. He assumed the role of CEO in 1989 and oversaw the management buyout of the company in 1993 for \$50 million followed by its successful IPO on the London Stock Exchange in 1996 with a valuation of approximately \$170 million. Dr. Finbow retired from City Technology Ltd. in 1999. He is a graduate from the University of London with a degree in Chemistry.

*Michael Hayduk, LL.M., Q.C.:* Mr. Hayduk has been a practicing lawyer since 1978, from 2007 as an associate with Smith Mack Lamarsh, from 1987 to 2006 as associate and partner with Miller Thomson LLP, from 1981 to 1987 as counsel at the Alberta Securities Commission and prior thereto with a small firm. Mr. Hayduk has been a member of the Audit Committee since 2009. He was a director of Valentine Ventures Corp., a listed capital pool corporation, from 2006 to 2010 when the qualifying transaction was completed. He was secretary of Sawtooth International Resources, a listed oil and gas company, from 1997 to 2006.

*Brad Gilewich, CA:* Mr. Gilewich is a Chartered Accountant with over 25 years of experience in advising private companies, including five years as Partner at PwC in Edmonton until 2011 when he joined Katz Group. He is Managing Director & Chief Operating Officer in the Office of the Chairman and is responsible for operational support across Katz Group, and serves as the executive liaison for corporate matters, including taxation and other corporate reporting for Oilers Entertainment Group and Katz Group Real Estate. Mr. Gilewich is also the executive responsible for the Katz family office, providing direction and guidance for those in charge of private investments and family matters.

### **Audit Committee Oversight**

Since the commencement of the Corporation'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**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits an issuer to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted policies regarding non-audit services to be rendered by the external auditor which are refinements of the general policies in the Audit Committee's Charter (attached hereto as Schedule "B"): (a) all non-audit services must be approved by the Chairman of the Audit Committee and reported to the other Audit Committee members at the next scheduled committee meeting in advance of the Corporation engaging the services of the external audit firm; and (b) a separate engagement letter is required for each individual service to be provided by the external auditors.

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and other fees are as follows:

<b>Fiscal Year 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>	<b>Total</b>
October 31, 2018	\$150,000	\$Nil	\$22,516	\$50,000	\$222,516
October 31, 2017	\$122,800	\$Nil	\$45,875	\$Nil	\$168,675

Notes:

- (1) "Audit Fees" include (i) fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements, (ii) fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements, and (iii) 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.
- (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. In the fiscal year ended October 31, 2018 this includes fees in relation to the Company's preparations for the adoption of the General Data Protection Regulation and SOC certification.

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. To achieve this goal, the Corporation has implemented an Audit Committee Charter, a Whistle Blower Policy, an Insider Trading and Reporting Policy, a Disclosure and Confidentiality Policy, a Corporate Governance and Compensation Committee Terms of Reference and a Board of Directors Corporate Governance Guidelines and Board Mandate.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices as summarized below. The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101 ("**Form 58-101F2 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to Form 58-101F2 Disclosure (which is set out below in italics).

### **1. Board of Directors**

*Disclose the identity of directors who are independent.*

The Board of the Corporation has determined that the following four (4) directors of the Corporation are independent:

Michael Hayduk  
Dr. John Finbow  
Robert Herdman  
Brad Gilewich

*Disclose the identity of directors who are not independent, and describe the basis for that determination*

The Board of the Corporation has determined that the following director of the Corporation is not independent:

Cody Slater

Cody Slater, the Chief Executive Officer of the Corporation, is a member of management and, as a result, is not an independent director.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. The Board is comprised of a majority of independent directors.

### **2. Directorships**

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Name of Reporting Issuer	Name of Exchange
Robert Herdman	Chinook Energy Inc.	Toronto Stock Exchange
	Black Diamond Group Limited	Toronto Stock Exchange
	Rocky Mountain Dealerships Inc.	Toronto Stock Exchange

### 3. **Orientation and Continuing Education**

*Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.*

Each new director is given an outline of the nature of the Corporation's business and its corporate strategy. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and are advised, by counsel to the Corporation, of their legal obligations as directors of the Corporation. New directors are also given copies of the Corporation's corporate governance policies.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

### 4. **Ethical Business Conduct**

*Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.*

The Board has considered adopting a written code of business conduct and ethics and has decided that it is not necessary to adopt such a code at the present time.

The Board has established a Whistle Blower Policy, which establishes the complaint procedure for reporting potential concerns with respect to the Corporation's activities and operations. The Corporation has also adopted an Insider Trading and Reporting Policy which confirms insiders are expected to comply with their reporting requirements and sets out certain restrictions from trading shares of the Corporation and a Disclosure and Confidentiality Policy which establishes procedures for ensuring adequate disclosure and compliance with disclosure requirements as well as procedures for maintaining confidentiality.

The Board has found that the fiduciary duties placed on individual directors by Canadian 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 a material interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as, from time to time, the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on resolutions of directors which involve such a conflict.

The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board of the Corporation facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. The independent directors regularly meet without management and without the directors who

are not independent. The independent directors are also the sole members of the Audit Committee and regularly meet privately with the auditors of the Corporation. The Board has unfettered access to the Corporation's external auditors, legal counsel and to any of the officers of the Corporation.

#### 5. **Nomination of Directors**

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.*

The Board has not appointed a nominating committee. No formal process has been adopted by the Board to determine new nominees. The nominees are generally the result of recruitment efforts by the Board including both formal and informal discussions among the Board and officers of the Corporation.

#### 6. **Compensation**

*Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process for determining compensation.*

For information relating to the compensation of directors and executive officers of the Corporation see "Statement of Executive Compensation" herein.

#### 7. **Other Board Committees**

*If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

The Board does not have any committees other than the Audit Committee and Corporate Governance and Compensation Committee.

#### 8. **Assessments**

*Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.*

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. The Corporate Governance and Compensation Committee, may periodically assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board).

Due to the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

### **OTHER MATTERS**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided, or will be provided, in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR at [www.sedar.com](http://www.sedar.com), or from the Corporation at:

Blackline Safety Corp.  
Unit 100, 803 24 Avenue S.E.  
Calgary, Alberta  
T2G 1P5



**SCHEDULE "A"****STATEMENT OF EXECUTIVE COMPENSATION****BLACKLINE SAFETY CORP.****Information Concerning Blackline Safety Corp.**

Blackline Safety Corp. (the "**Corporation**") is a global connected safety technology company that develops, manufactures and markets products and services that empower businesses with real-time safety insights to manage emergency responses, evacuations and gas detection compliance programs. Set forth below is the statement of executive compensation in the form of Form 51-102F6 - *Statement of Executive Compensation* ("**Form 51-102F6**") for the Corporation for the year ended October 31, 2018.

**Compensation Governance***Corporate Governance and Compensation Committee Mandate*

The board of directors of the Corporation (the "**Board**") has adopted terms of reference for the corporate governance and compensation committee of the Board (the "**Committee**"), which outlines the responsibilities of the Committee with respect to compensation and corporate governance matters of the Corporation. The Committee has the authority and responsibility for reviewing and recommending to the Board remuneration strategies for the Corporation, with particular emphasis on the senior officers and members of the Board. Without limiting the generality of the foregoing, the duties of the Committee may include any of the following as determined appropriate by the Committee or as requested by the Board from time to time:

- (a) to review the compensation policies and guidelines for supervisory and management personnel of the Corporation and to recommend to the Board improvements to the compensation policies and guidelines;
- (b) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer of the Corporation (the "**CEO**"), evaluate the CEO's performance in light of those corporate goals and objectives, and determine or make recommendations to the Board with respect to the CEO's compensation level based on such evaluation;
- (c) to review and recommend to the Board compensation policies and guidelines with respect to non-CEO officer and director compensation, including to review recommendations for proposed grants under incentive compensation plans and equity based plans;
- (d) to review and recommend to the Board, bonuses to be paid to officers and employees of the Corporation; and
- (e) to review the disclosure as to compensation matters included in any information circular and proxy statement of the Corporation as mandated by applicable securities laws including, without limitation, the compensation discussion and analysis included therein, prior to the Corporation publicly disclosing the same.

The Committee does not use any specific performance measurements to determine compensation levels of the directors and senior officers. The recommendations of the Committee are submitted to the Board for ratification.

*Composition of the Committee*

The Committee may be comprised of up to three Board members, provided that a majority of the members are "independent", under National Policy 58-201 – *Corporate Governance Guidelines*. During the year ended October 31, 2018, the Committee was comprised of Dr. John Finbow and Robert Herdman, both of whom are independent directors. Set forth below is a brief summary of the education and experience of the members of the Committee, which

enables the members to make decisions on the suitability of the Corporation's compensation policies and practices of the Corporation.

*Robert Herdman, FCA:* Mr. Herdman is a Fellow Chartered Accountant and was formerly a senior Partner at PricewaterhouseCoopers LLP ("**PwC**") in Calgary serving the firm's largest Calgary based public clients with extensive experience in a number of industries including manufacturing, utilities, transportation, mining, oil and gas and financial services. After enjoying a 34-year career with PwC, Mr. Herdman retired from practice in 2010. He currently serves on the board of directors of a number of companies, he previously served on a number of committees overseeing the practice of accounting in Alberta and has also served as a director for a number of not for profit organizations. Mr. Herdman graduated with a Bachelor of Education degree from the University of Calgary.

*Dr. John Finbow:* Dr. Finbow has been involved in several start-up companies as an investor, director, and consultant both in the USA and the UK. Dr. Finbow was the Chairman of BW Technologies Ltd. until the sale of the company to First Technology in 2004. Prior thereto, Dr. Finbow was a founding member of City Technology Ltd., a company designed to manufacture a range of electrochemical gas sensors. He assumed the role of Chief Executive Officer in 1989 and oversaw the management buyout of the company in 1993 for \$50 million followed by its successful IPO on the London Stock Exchange in 1996 with a valuation of approximately \$170 million. Dr. Finbow retired from City Technology Ltd. in 1999. He is a graduate from the University of London with a degree in Chemistry.

#### ***Compensation Consultant or Advisor***

At no time since the most recently completed financial year of the Corporation, has a compensation consultant or advisor been formally retained by the Corporation to assist the Board in determining the compensation of the directors or executive officers of the Corporation.

#### ***Compensation Discussion and Analysis***

As at October 31, 2018, the named executive officers (as defined in Form 51-102F6 and as prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**")) of the Corporation are Cody Slater – CEO, Kevin Meyers – Chief Operating Officer, Shane Grennan – Chief Financial Officer, Barry Moore – Vice President of Product Development and Sean Stinson – Vice President of Sales and Product Management (each a "**Named Executive Officer**"). The compensation for each Named Executive Officer for the year ended October 31, 2018 is outlined in the summary compensation table.

#### ***Objectives of Executive Compensation***

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's objectives and increase shareholder value. The main objective of the compensation program is to reward the contribution of executives based on the overall success and strategic growth of the Corporation. The compensation program is designed to reward individual performance by aligning a component of the compensation with the Corporation's business performance, through the Corporation's stock option plan (the "**Stock Option Plan**") and employee stock ownership plan ("**ESOP**") thereby enhancing the value of the Corporation's common shares ("**Common Shares**"). The philosophy of the Corporation is to pay the Named Executive Officers a total compensation amount that is competitive with other executives in the junior technology industry and geographical area and that is consistent with the experience and responsibility level of the individual. The Corporation does not use any specific benchmarking to determine these amounts. The purpose of executive compensation is to reward the executives and directors for their contributions to the achievements of the Corporation, on both an annual and long-term basis.

The compensation program of the Corporation provides incentives to both achieve short and long-term objectives. The short-term incentives include salary and bonus payments to the Named Executive Officers based on the financial performance of the Corporation. Increasing the value of the Corporation may increase the amounts paid to the Named Executive Officers. The Corporation also provides long-term incentives to its executives and directors through grants of options ("**Options**") under the Stock Option Plan and through participation in the ESOP. These long-term incentives closely link the interests of the Named Executive Officers and directors to shareholders of the Corporation.

### *Components of Executive Compensation*

The Corporation's executive compensation in the financial year ended October 31, 2018 consisted of:

- base salaries;
- annual incentive bonuses;
- option and share based awards (including participation in the ESOP); and
- personal benefits and perquisites.

A description of the criteria used in each element of compensation is described below.

#### *Base Salaries*

The purpose of the base salary is to attract and retain executives by providing a competitive base compensation. The level of base salary for each Named Executive Officer is determined by the level of responsibility given to that Named Executive Officer and the level of skills and capabilities demonstrated by the Named Executive Officer. In addition, the Committee targets base salaries at levels that are generally competitive with industry ranges.

#### *Short-Term Incentive Compensation - Annual Incentive Bonuses*

Annual incentive bonuses are a short-term variable compensation element, designed to reward Named Executive Officers on an annual basis for achieving the Corporation's business objectives. The Corporation's business objectives are generally established by the Board at the start of each year. Determination of the amount of bonus awarded to each Named Executive Officer is based on an assessment by the Committee of several factors, including but not limited, to the contribution of the individual to the overall progress of the Corporation in achieving its stated business objectives. The purpose of the annual incentive bonus is to pay for performance, align the Named Executive Officer's economic interest with the Corporation's business objectives and to motivate and retain the executives.

The Board has the discretion to alter the conditions of the bonus plan, if warranted. Discretionary bonuses may be paid to other employees at the discretion of the Board upon recommendation by the Committee. No incentive bonuses, other than commissions on certain products and services the Corporation sells, were paid in respect of the year ended October 31, 2018.

#### *Long-Term Incentive Compensation – Option and Share-Based Awards*

Options and the ESOP are designed to align executive and shareholder interests, focus executives on long-term value creation and also to retain key executives. Named Executive Officers may be issued Options to purchase Common Shares or other option-based awards as recommended by the Committee. Named Executive Officers are excluded from the decision-making process regarding option-based compensation to be awarded to them. Previous grants of option-based awards are taken into account when considering new grants to the Named Executive Officers. All employees and Board members, including Named Executive Officers, may participate in the ESOP, which was approved by shareholders on April 18, 2012 and began in November 2012.

#### *Stock Option Plan*

The Stock Option Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board.

The Board may designate eligible service providers of the Corporation and its subsidiaries and affiliates to whom Options may be granted and the number of Common Shares to be optioned to each, provided that the number of Common Shares to be optioned will not exceed the limitations set out below:

- (a) the total number of Common Shares reserved for issuance on exercise of Options issued under the Stock Option Plan at any given time shall not exceed 10% of the aggregate of the issued and outstanding Common Shares at such time;

- (b) the aggregate number of Common Shares reserved for issuance to any one optionee in a 12-month period shall not exceed 5% of the number of outstanding Common Shares (determined at the time an Option is granted);
- (c) the aggregate number of Common Shares reserved for issuance to any one consultant in a 12-month period shall not exceed 2% of the number of outstanding Common Shares (determined at the time an Option is granted); and
- (d) the aggregate number of Common Shares reserved for issuance to all persons conducting investor relations activities in a 12-month period shall not exceed 2% of the number of outstanding Common Shares (determined at the time an Option is granted).

Options that are cancelled, terminated or expire prior to the exercise of all or a portion thereof will result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Stock Option Plan.

The Board (or appointed committee of the Board) may, in its sole discretion, determine: (i) the time during which Options will vest; and (ii) the method of vesting. The exercise price of Options shall be determined by the Board, provided however that the exercise price of Options shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed. The period during which an Option is exercisable shall be such period, not in excess of five (5) years, as may be determined by the Board at the time of grant (the "**Option Period**"). Options will not be assignable or transferable by the optionee either in whole or in part.

In addition, each Option shall provide that:

- (a) upon the death, permanent disability or normal retirement of an optionee, the Option shall terminate on the earlier of: (i) the end of the Option Period; and (ii) the ninetieth (90th) day from the date of normal retirement or one (1) year from the date of death or permanent disability;
- (b) if an optionee shall no longer be a service provider (other than by reason of death, permanent disability or normal retirement), the Option shall terminate at 5:00 p.m. on the earlier of: (i) the end of the Option Period; and (ii) the ninetieth (90th) day from the date the optionee ceases to be a service provider;
- (c) if an optionee engaged in investor relations activities of the Corporation ceases to be retained by the Corporation (other than by reason of death, permanent disability or normal retirement), the Option shall terminate at 5:00 p.m. on the earlier of: (i) the end of the Option Period; and (ii) the thirtieth (30th) day from the date the optionee ceases to be engaged in investor relations activities for the Corporation;
- (d) if an optionee shall no longer be a service provider by reason of termination for cause, the Option shall terminate immediately on such termination for cause (whether notice of such termination occurs verbally or in writing), provided that the number of Common Shares that an optionee (or his or her heirs or successors) shall be entitled to purchase until such date of termination shall be, in all cases, the number of Common Shares which such optionee was entitled to purchase on the date such optionee ceased to be a service provider.

In the event of a subdivision or consolidation of the outstanding Common Shares, a corresponding adjustment will be made changing the number of Common Shares deliverable upon the exercise of any Option granted prior to such event. In the event the Corporation is reorganized, merged, consolidated or amalgamated with another corporation, appropriate provisions will be made for the continuance of the Options outstanding under the Stock Option Plan.

The Stock Option Plan allows the Board to amend or discontinue the Stock Option Plan at any time, subject to regulatory approval, and if deemed necessary or desirable by the Board, shareholder approval.

*Employee Share Ownership Plan*

Similar to the Stock Option Plan, the purpose of the ESOP is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and of its subsidiaries and affiliates, if any, to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation.

The ESOP is administered by the Chief Financial Officer of the Corporation or such other person as the Corporation may from time to time delegate.

Pursuant to the ESOP active employees of the Corporation who have been employed for at least three (3) months may contribute a percentage of their gross annual salary to purchase Common Shares. For each \$1.00 contributed by the employee, the Corporation will contribute \$0.50 or will issue an equivalent amount of Common Shares from treasury, rounding down to the nearest share, subject to the following current limitations set out below:

- (a) only 500,000 Common Shares may be issued from treasury under the ESOP; and
- (b) the Corporation's contribution to a participant is limited to 1% of the issued and outstanding Common Shares and a maximum of 2% in aggregate of the issued and outstanding Common Shares within a 12-month period.

Any employee electing to participate in the ESOP may contribute up to a maximum of 10% (based upon 1% increments) of their total annual salary each year, excluding bonuses, commissions, deferred compensation, overtime pay, statutory holiday pay, severance and any special incentive programs. An employee can change his or her designated percentage of payroll deduction contributed, including electing no further payroll deductions be made, to the ESOP by giving the Corporation a completed form indicating the change. The employee's contribution will be changed on the first payroll that is a minimum of five (5) business days after receipt of the change form. Since Board members are not paid by the Corporation, they may contribute up to \$1,000 per month into the ESOP.

The employee's portion of contributions, and the Corporation's contributions if Common Shares are not to be issued from treasury, will be used to acquire Common Shares. The Common Shares will be acquired through open market purchases by an appointed administrator (the "**Administrator**") through the facilities of the TSX Venture Exchange (the "**Exchange**"), or other such stock exchange, in the Administrator's sole discretion, within ten (10) business days (subject to available trading volume of Common Shares) of receiving the contribution. The Common Shares issued from treasury and acquired via the open market, if any, will be placed in an account (the "**Participant Account**") with the Administrator in the name of the employee. The Corporation's contributions vest immediately for directors and vest as follows for employees:

- (a) In the first year of enrollment, one (1) year from the date of the contribution;
- (b) In the second year of enrollment, six (6) months from the date of contribution; and
- (c) In the third year of enrollment, immediately.

All unvested Common Shares which are forfeited due to an employee leaving the Corporation (for any reason, including death or retirement) will be sold on the Exchange and the funds returned to the Corporation.

In the event of a subdivision or consolidation of the outstanding Common Shares, a corresponding adjustment will be made in the number of Common Shares held by the Administrator under the ESOP.

The ESOP allows the Corporation to amend or discontinue the ESOP at any time in its discretion.

#### *Benefits and Perquisites*

The level of other perquisites depends on the employee's position. The purpose of the benefits and perquisites is to attract, retain and motivate employees.

#### **Risk Implications Associated with Compensation Policies and Practices**

The Committee has not made an assessment of the risk implications associated with the Corporation's compensation policies and practices.

#### **Short Sales, Puts, Calls and Options**

Pursuant to the Corporation's Insider Trading and Reporting Policy, directors, officers, employees and consultants of the Corporation may not: (i) engage in "short sales" of securities of the Corporation; or (ii) buy or sell puts, calls or other derivatives in respect of securities of the Corporation that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held by such persons.

#### **Summary Compensation Table**

The following table sets forth for the years ended October 31, 2018, October 31, 2017 and October 31, 2016, information concerning the compensation paid to the Named Executive Officers.

Name and Principal Position	Year Ended October 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Cody Slater Chief Executive Officer	2018	120,000	Nil	88,857	Nil	Nil	Nil	5,967	214,824
	2017	120,000	Nil	120,701	Nil	Nil	Nil	5,999	246,700
	2016	120,000	Nil	Nil	Nil	Nil	Nil	6,235	126,235
Kevin Meyers Chief Operating Officer	2018	170,500	Nil	88,857	Nil	Nil	Nil	8,485	267,842
	2017	169,969	Nil	75,563	Nil	Nil	Nil	9,066	254,598
	2016	167,500	Nil	Nil	Nil	Nil	Nil	8,514	176,014

Name and Principal Position	Year Ended October 31	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Shane Grennan Chief Financial Officer	2018	160,000	Nil	88,857	Nil	Nil	Nil	3,992	252,849
	2017	159,115	Nil	75,563	Nil	Nil	Nil	4,865	239,543
	2016	113,269	Nil	18,617	Nil	Nil	Nil	4,474	136,360
Barry Moore Vice President of Product Development	2018	154,000	Nil	88,857	Nil	Nil	Nil	7,665	250,522
	2017	153,292	Nil	75,563	Nil	Nil	Nil	7,643	236,498
	2016	150,000	Nil	Nil	Nil	Nil	Nil	7,701	157,701
Sean Stinson Vice President of Sales and Product Management	2018	155,000	Nil	88,857	Nil	Nil	Nil	7,706	251,563
	2017	154,115	Nil	75,563	Nil	Nil	Nil	9,489	239,167
	2016	150,000	Nil	Nil	Nil	Nil	Nil	8,967	158,967

Notes:

- (1) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The fair values of Option grants have been determined using the same methodology and values used in determining the share option value for the Corporation's financial statements as the Corporation believes it represents the best estimate of fair value of the Options at the time of grant. The fair value of these Options was calculated by using the Black-Scholes option pricing model as follows: (i) for Options granted during the financial year ended October 31, 2018 by assuming a risk-free interest rate of 2.01% - 2.32%, a dividend yield of \$nil per share, the expected annual volatility of the Corporation's share price of 42% - 49% and an expected life of the Options of three years for employees and four years for directors, officers and consultants with an expected forfeiture rate of 18% applied to that fair value; (ii) for Options granted during the financial year ended October 31, 2017 by assuming a risk-free interest rate of 0.80% - 1.55%, a dividend yield of \$nil per share, the expected annual volatility of the Corporation's share price of 47% - 55% and an expected life of the Options of three years for employees and four years for directors, officers and consultants with an expected forfeiture rate of 33% applied to that fair value; and (iii) for Options granted during the financial year ended October 31, 2016 by assuming a risk-free interest rate of 1.0%, a dividend yield of \$nil per share, the expected annual volatility of the Corporation's share price of 70% and an expected life of the Options of three years with an expected forfeiture rate of 32% applied to that fair value. For the value of Options that vested in the current year see *"Incentive Plan Awards – Value Vested or Earned During the Year"*.
- (2) **"All Other Compensation"** represents the Corporation's share of the contribution to the ESOP. See *"Components of Executive Compensation – Employee Share Ownership"*. The named executives participate in the ESOP on the same terms and using the same formulas as for other participants.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of share-based awards that have not vested (\$)	Market or Payout Value of vested share-based awards not paid out or distributed (\$)
<b>Cody Slater</b>	50,000	1.80	15-Jul-20	155,000	Nil	Nil	Nil
Chief Executive Officer	25,000	2.85	21-Nov-21	51,250			
	50,000	4.40	24-Oct-22	25,000			
	40,000	5.50	17-Apr-23	Nil			
<b>Kevin Meyers</b>	20,000	1.31	11-Apr-19	71,800	Nil	Nil	Nil
Chief Operating Officer	20,000	1.80	15-Jul-20	62,000			
	25,000	2.85	21-Nov-21	51,250			
	25,000	4.40	24-Oct-22	12,500			
	40,000	5.50	17-Apr-23	Nil			
<b>Shane Grennan</b>	25,000	2.85	21-Nov-21	51,250	Nil	Nil	Nil
Chief Financial Officer	25,000	4.40	24-Oct-22	12,500			
	40,000	5.50	17-Apr-23	Nil			
<b>Barry Moore</b>	20,000	1.31	11-Apr-19	71,800	Nil	Nil	Nil
Vice President of Product Development	20,000	1.80	15-Jul-20	62,000			
	25,000	2.85	21-Nov-21	51,250			
	25,000	4.40	24-Oct-22	12,500			
	40,000	5.50	17-Apr-23	Nil			
<b>Sean Stinson</b>	20,000	1.31	11-Apr-19	71,800	Nil	Nil	Nil
Vice President of Sales and Product Management	20,000	1.80	15-Jul-20	62,000			
	25,000	2.85	21-Nov-21	51,250			
	25,000	4.40	24-Oct-22	12,500			
	40,000	5.50	17-Apr-23	Nil			

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the Option.
- (2) The aggregate of the difference between the closing price of the Common Shares on the Exchange on October 31, 2018, being \$4.90 per Common Share, and the exercise price of the Options.



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

The following table sets forth for each of the Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended October 31, 2018 and the value of non-equity incentive plan compensation earned during the year ended October 31, 2018.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the year</b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year<sup>(2)</sup></b> <b>(\$)</b>
Cody Slater	Nil	Nil	Nil
Kevin Meyers	Nil	Nil	Nil
Shane Grennan	Nil	Nil	Nil
Barry Moore	Nil	Nil	Nil
Sean Stinson	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options.
- (2) The Corporation does not have any non-equity incentive plans. The Corporation may award discretionary bonuses largely based on the Corporation's overall corporate performance. See "*Compensation Discussion and Analysis – Components of Executive Compensation – Short-Term Incentive Compensation – Annual Incentive Bonuses*".

**Employment Contracts, Termination and Change of Control Benefits**

There are currently no contracts, agreements, plans or arrangements in place for any of the Named Executive Officers that provide for payments to a Named Executive Officer following, or in connection with, any termination, resignation, retirement, change in control of the Corporation or a change in a Named Executive Officer's responsibilities. Upon a change of control of the Corporation or termination of employment of any Named Executive Officer, there is no automatic acceleration of, or any other benefit relating to, any Options which may as at such date be held by any Named Executive Officer.

**Pension Plans and Retiring Allowances**

The Corporation does not currently provide its Named Executive Officers with pension plan benefits or retiring allowances.

**Directors' Summary Compensation Table**

For the year ended October 31, 2018, the Corporation had five (5) directors, one (1) of which was also a Named Executive Officer (Cody Slater, CEO). For a description of the compensation paid to the Named Executive Officer of the Corporation who also acts as a director of the Corporation, see "*Compensation Discussion and Analysis*". The following table sets forth for the year ended October 31, 2018 information concerning the compensation paid to the Corporation's directors other than directors who are also Named Executive Officers during the year ended October 31, 2018.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total (\$)
Michael Hayduk	Nil	Nil	111,071	Nil	Nil	Nil	111,071
John Finbow	Nil	Nil	111,071	Nil	Nil	6,000	117,071
Robert Herdman	Nil	Nil	111,071	Nil	Nil	Nil	111,071
Brad Gilewich	Nil	Nil	111,071	Nil	Nil	Nil	111,071

Notes:

- (1) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. There were Option-based awards granted during the financial year ended October 31, 2018. The fair value of these Options was calculated by using the Black-Scholes option pricing model as follows for Options granted during the financial year ended October 31, 2018 by assuming a risk-free interest rate of 2.01% - 2.32%, a dividend yield of \$nil per share, the expected annual volatility of the Corporation's share price of 42% - 49% and an expected life of the Options of three years for employees and four years for directors, officers and consultants with an expected forfeiture rate of 18% applied to that fair value. For the value of Options that vested in the current year see *"Incentive Plan Awards – Value Vested or Earned During the Year"*.
- (2) **"All Other Compensation"** represents the Corporation's share of the contribution to the ESOP. See *"Components of Executive Compensation – Employee Share Ownership"*. The directors participate in the ESOP on the same terms and using the same formulas as for other participants.

Directors of the Corporation do not receive any cash compensation for their services. Director compensation is determined by the Board, after receiving input from the Committee. Directors are compensated for out-of-pocket expenses incurred in connection with attending meetings of the Board or committees thereof.

#### ***Directors' Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, all share-based awards and option-based awards outstanding at the end of the year ended October 31, 2018.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)
Michael Hayduk	70,000	1.31	11-Apr-19	251,300	Nil	Nil
	50,000	1.80	15-Jul-20	155,000		
	50,000	2.85	21-Nov-21	102,500		
	50,000	4.40	24-Oct-22	25,000		
	50,000	5.50	17-Apr-23	Nil		
John Finbow	50,000	2.85	21-Nov-21	102,500	Nil	Nil
	50,000	4.40	24-Oct-22	25,000		
	50,000	5.50	17-Apr-23	Nil		
Robert Herdman	35,000	1.31	11-Apr-19	125,650	Nil	Nil
	50,000	1.80	15-Jul-20	155,000		
	50,000	2.85	21-Nov-21	102,500		
	50,000	4.40	24-Oct-22	25,000		
	50,000	5.50	17-Apr-23	Nil		

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)
Brad Gilewich	100,000	1.80	15-Jul-20	310,000	Nil	Nil
	50,000	2.85	21-Nov-21	102,500		
	50,000	4.40	24-Oct-22	25,000		
	50,000	5.50	17-Apr-23	Nil		

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the Option.
- (2) The aggregate of the difference between the closing price of the Common Shares on the Exchange on October 31, 2018, being \$4.90 per Common Share, and the exercise price of the Options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

#### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended October 31, 2018 and the value of non-equity incentive plan compensation earned during the year ended October 31, 2018.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(2)</sup> (\$)
Michael Hayduk	Nil	Nil	Nil
John Finbow	Nil	Nil	Nil
Robert Herdman	Nil	Nil	Nil
Brad Gilewich	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options.
- (2) The Corporation does not have any non-equity incentive plans for its directors.

#### ***Other Compensation to Directors***

Other than as set forth herein, the Corporation did not pay any other compensation to Named Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the most recently completed financial year, other than benefits and perquisites which did not amount in the aggregate to \$50,000 or more per person, or were worth, as applicable, 10% or more of a Name Executive Officer's total salary for the most recently completed financial year.

## **SCHEDULE "B"**

### **BLACKLINE SAFETY CORP. (the "Corporation") AUDIT COMMITTEE CHARTER**

**June 16, 2017**

#### **1. MANDATE**

The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporations' financial statements and management's discussion and analysis ("**MD&A**").
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management, and the Board of Directors.

#### **2. COMPOSITION**

The Committee shall be comprised of not less than three directors as determined by the Board of Directors, the majority of whom shall be independent, meaning they are not officers, employees or control persons of the Corporation or its associates or affiliates.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholder's meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### **3. MEETINGS**

The Committee shall meet at least quarterly or more frequently as circumstances dictate. The Committee shall notify its auditors of each meeting.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Audit Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity and shall be made available to the external auditor.

4. **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

**Documents/Reports Review**

1. Review and update this Charter annually.
2. Review and make a recommendation to the Board of Directors respecting the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information, and review any reports or other financial information (including quarterly financial statements), which are submitted or disclosed to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**External Auditors**

3. Require the external auditors to report directly to the Committee and oversee the work of the external auditor.
4. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee.
5. Obtain annually, a formal written statement from the external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
6. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
7. Review with management and the external auditors the terms of the external auditors' engagement letter.
8. At each meeting at which the external auditors are in attendance, may consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (a) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent (5%) of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (b) such services were not recognized by the Corporation at the time of engagement to be non-audit services; and

- (c) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### **Financial Reporting Process**

- 12. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
  - 13. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
  - 14. Consider and approve, if appropriate, changes to the Corporation's accounting principles and practices as suggested by the external auditors and management.
  - 15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
  - 16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
  - 17. Review any disagreement among management and the external auditors regarding financial reporting.
  - 18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
  - 19. Review the certification process.
  - 20. Establish procedures for:
    - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
    - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
5. **OTHER**
- Review disclosure of any related party transactions.

6. **AUTHORITY**

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal auditors, if any, and the external auditors.

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.