

**AVANTE LOGIXX INC.**

**Annual and Special Meeting of Shareholders**

**And**

**Management Information Circular**

**August 5, 2020**

**AVANTE LOGIXX**



# MANAGEMENT INFORMATION CIRCULAR

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## MANAGEMENT INFORMATION CIRCULAR

### ARTICLE 1 - VOTING AND PROXIES

#### 1.1 Solicitation of Proxies

**This Management Information Circular is furnished in connection with the solicitation, by the management of Avante Logixx Inc. (the “Corporation”), of proxies to be used at the Annual and Special Meeting of Shareholders of the Corporation (the “Meeting”), to be held on September 17, 2020, at the time and place and for the purposes set forth in the Notice of the Annual and Special Meeting of Shareholders (the “Notice of Meeting”) or any adjournment or postponement thereof.**

Unless otherwise indicated, the information contained in this Management Information Circular is given as of August 5, 2020. All dollar amounts in this Management Information Circular refer to Canadian dollars.

While it is expected that the solicitation of proxies will be conducted primarily by mail, proxies may also be solicited personally, by facsimile, electronic communication or by telephone. Some proxies may also be solicited directly in the case of directors, officers or employees of the Corporation, but without further compensation. The Corporation may also reimburse brokers and other persons holding the Corporation’s common shares (“**Common Shares**”) on their behalf or on behalf of nominees, for costs incurred in sending the proxy documents to principals and to obtain their proxies. The Corporation will assume the solicitation costs, which are expected to be minimal.

#### 1.2 Notice-and-Access

The Corporation has elected to use the “notice-and-access” provisions for the Meeting pursuant to National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 *Continuous Disclosure Obligations* for the delivery of the Management Information Circular to registered and non-registered shareholders of the Corporation.

Notice-and-access allows issuers to post electronic versions of meeting materials, including circulars, annual financial statements and management discussion and analysis, online, via SEDAR, and one other website, rather than mailing paper copies of such meeting materials to shareholders. Notice-and-access may be used by issuers in respect of meetings that occur on or after March 1, 2013. The Corporation anticipates that utilizing notice-and-access will substantially reduce both postage and printing costs.

The Corporation has posted the Notice of Meeting, this Management Information Circular, the Corporation’s audited consolidated financial statements for the fiscal years ended March 31, 2019 and 2020 (the “**Annual Financial Statements**”) and the Corporation’s management’s and discussion analysis for the fiscal year ended March 31, 2020 (the “**Annual MD&A**”) (collectively, the “**Meeting Materials**”) on the following website: <https://docs.tsxtrust.com/2073>. The Meeting Materials are also available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

All shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders who wish to receive paper copies of the Meeting Materials may request a copy by calling TSX Trust Company at 1-866-600-5869 (toll-free) or by email at [TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com). Meeting Materials will be sent to the shareholder at no cost to them. The Corporation will not rely upon the use of “stratification,” which is the provision of a paper copy of this Management Information Circular with the notice to some of the shareholders described above and not others. Accordingly, no shareholder will receive a paper copy of this Management Information Circular from the Corporation or an Intermediary (as defined under the

heading “Non-Registered Holders of Shares”) unless such shareholder specifically requests same. **Requests for paper copies of the Meeting Materials must be received by Tuesday, September 8, 2020 in order to receive the Meeting Materials in advance of the proxy cut-off date, which is Tuesday, September 15, 2020.** The Chair of the Meeting may waive or extend the proxy cut-off without notice.

### 1.3 Voting at the Virtual Meeting

**Only shareholders whose names appear on the records of the Corporation as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** A registered shareholder whose name has been provided to the Corporation’s registrar and transfer agent, TSX Trust Company, will appear on a list of shareholders prepared by the registrar and transfer agent for purposes of the Meeting. Non-registered beneficial shareholders must appoint themselves as a proxyholder to vote virtually at the Meeting. Also see “Non-Registered Holders of Shares” below.

The Meeting is virtual only and will be via live webcast online at Web URL: <http://web.lumiagm.com/200885806>. The password is: XX2020 (case sensitive).

Due to COVID-19, current restrictions on public gatherings and in the best interests of the health of all participants in the Meeting, **the Corporation respectfully requests that all shareholders participate in the Meeting virtually. There will be no in-person component to the Meeting.**

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <http://web.lumiagm.com/200885806> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
2. Click on “**I have a control number**”.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: **XX2020** (case sensitive).
5. When the ballots have been opened, you will see them appear on your screen.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF. Do not fill out your voting instructions.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Get a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>. Request for control numbers must be made prior to 10:00 a.m. (Toronto time) on September 8, 2020.
4. Type in <http://web.lumiagm.com/200885806> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
5. Click on “**I have a control number**”.
6. Enter the control number provided to you by the TSX Trust Company
7. Enter the password: **XX2020** (case sensitive).
8. When the ballots have been opened, you will see them appear on your screen.

Appointees:

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are

appointing. You or your appointee must then register with TSX Trust in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>. If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the "Request for Control Number" form, which can be found here <https://tsxtrust.com/resource/en/75>.

Guests can also listen to the Meeting by following the steps below:

1. Type in <http://web.lumiagm.com/200885806> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
2. Click on "GUEST".

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com).

#### 1.4 Appointment of Proxyholders

If a registered shareholder cannot attend the Meeting but wishes to vote on the resolutions, the registered shareholder should sign, date and deliver the enclosed form of proxy to the Corporation's registrar and transfer agent, TSX Trust Company, 100 Adelaide Street West, 3<sup>rd</sup> Floor, Toronto, Ontario M5H 4H1, Attention: Proxy Department, so it is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement thereof.

**The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A shareholder giving a proxy can strike out the names of the nominees printed in the accompanying form of proxy and insert the name of another nominee in the space provided, or the shareholder may complete another form of proxy. A proxy nominee need not be a shareholder of the Corporation.**

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the shares will be voted against the shareholder proposal set out in Schedule "E" and in favour of all other matters identified in the enclosed Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy has the right to attend the Meeting, or appoint someone else to attend as their proxy at the Meeting and the proxy submitted earlier can be revoked in the manner described under "Revocation of Proxies".

#### 1.5 Revocation of Proxies

A shareholder giving a proxy may revoke the proxy by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a

proxyholder duly authorized, given to TSX Trust Company, 100 Adelaide Street West, 3<sup>rd</sup> Floor, Toronto, Ontario M5H 4H1, Attention: Proxy Department, no later than the second last business day prior to the date of the Meeting or any adjournment or postponement thereof at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Please note that shareholders who receive their notice-and-access notification from Broadridge Investor Communications Solutions, Canada (“**Broadridge**”) or Mediant Communications Inc. (“**Mediant**”) must return the proxy forms, once voted, to Broadridge or Mediant, as applicable, for the proxy to be properly handled.

## 1.6 Non-Registered Holders of Shares

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a depository (such as The Canadian Depository for Securities Limited).

Non-Registered Holders do not appear on the list of shareholders of the Corporation maintained by the transfer agent.

The Corporation has decided to use Notice-and-Access in accordance with the requirements of NI 54-101 to deliver the Meeting Materials to shareholders by posting the Meeting Materials on <https://docs.tsxtrust.com/2073> and will remain posted for a full year thereafter. The Meeting Materials are also available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Corporation will only be mailing the Notice-and Access Notification to Non-Registered Holders as set out below.

**The information set forth in this section should be reviewed carefully by the Non-Registered Holders of the Corporation. Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting.**

Non-Registered Holders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agent. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs.

If you are a NOBO and the Corporation or its agent has sent the Notice-and-Access Notification directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the

Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions as specified in the request for voting instructions.

The Corporation's decision to deliver proxy-related materials directly to its NOBOs will result in all NOBOs receiving a Voting Instruction Form ("VIF") from TSX Trust Company. Please complete and return the VIF to TSX Trust Company, 100 Adelaide Street West, 3<sup>rd</sup> Floor, Toronto, Ontario M5H 4H1, Attention: Proxy Department, in the envelope provided or by facsimile. In addition, instructions in respect of the procedure for internet voting can be found in the VIF. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by TSX Trust Company.

OBOs may expect to receive their materials related to the Meeting from Broadridge, Mediant or an Intermediary. If a reporting issuer does not intend to pay for an Intermediary to deliver materials to OBOs, OBOs will not receive the materials unless their Intermediary assumes the cost of delivery. The Corporation, however, does intend to pay for Intermediaries to deliver the proxy-related materials to OBOs.

Intermediaries are required to forward the Notice-and Access Notification to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies such as Broadridge or Mediant to forward the Notice-and-Access Notification to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Notice-and-Access Notification will receive one of the following:

- (a) *Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the meeting materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting virtually (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting virtually (or have another person attend and vote on the Holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or
- (b) *Form of Proxy.* Less frequently, a Non-Registered Holder (other than a NOBO) will receive, as part of the meeting materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting virtually (or have another person attend and vote on the holder's behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Corporation's registrar and transfer agent, TSX Trust Company, 100 Adelaide Street West, 3<sup>rd</sup> Floor, Toronto, Ontario M5H 4H1, Attention: Proxy Department, as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting virtually (or have another person attend and vote on the holder's behalf), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives a VIF or a form of proxy wish to vote at the Meeting virtually, the Non-Registered Holder should strike out persons named in such form of proxy and insert the Non-Registered Holder's name in the blank space provided. Non-Registered Holders should carefully follow the instructions on the VIF or the instructions received from their Intermediary including those regarding when and where the VIF or form of proxy is to be delivered.

**All references to “shareholders” in this Management Information Circular and the accompanying Notice of Meeting and any proxy or voting instruction form sent to shareholders with the Notice-and-Access Notification are to registered shareholders unless specifically stated otherwise.**

### **1.7 Non-Objecting Beneficial Owners**

These meeting materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

### **1.8 Voting Shares and Principal Shareholders Thereof**

The shares conferring voting rights at the Meeting are Common Shares. At the date of this Management Information Circular, no shares of any other class are issued and outstanding. Each Common Share confers the right to one vote. As of the date hereof, there were **21,192,005** Common Shares issued and outstanding.

The Corporation has prepared a list of all persons or entities who are registered holders of Common Shares on August 5, 2019 (the “**Record Date**”) and the number of Common Shares registered in their name on that date. Each shareholder is entitled to one vote for each Common Share registered in their name as it appears on the list.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, the following are the only persons who beneficially own, or control or direct, directly or indirectly, securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting:

<b>Name of Shareholder</b>	<b>Common Shares</b>	<b>Percentage of Voting Rights</b>
PenderFund	2,736,400	12.9%
Emmanuel Mounouchos	2,740,891	12.9%
Craig Campbell	2,888,600	13.6%
Polar Asset Management	3,665,399	17.3%

**NOTE:**

1. Craig Campbell holds 68,500 Common Shares, and controls another 2,786,100 Common Shares in his capacity as the owner of Resilience Security Partners GP Inc., the general partner of Resilience Security Partners LP, a limited partnership and a corporation he controls called Resilience Special Partner Inc.

### **1.9 Quorum**

Two shareholders present virtually or represented by proxy will constitute a quorum at the Meeting or any adjournment or postponement thereof. The Corporation’s list of shareholders as of the Record Date (as defined above) has been used to deliver to shareholders the Notice of Meeting and this Management Information Circular as well as to determine who is eligible to vote at the Meeting.

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

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of Ontario, Canada and securities laws of the

provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities law the provinces of Canada differ from the disclosure requirements under United States securities laws.

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

## **ARTICLE 2 – BUSINESS TO BE TRANSACTED AT THE MEETING**

### **2.1 Presentation of the Financial Statements and Auditor’s Report**

Management, on behalf of the board of directors of the Corporation (the “**Board**”), will submit to the shareholders at the Meeting the Annual Financial Statements including the Auditor’s Report thereon and the Annual MD&A. Receipt at the Meeting of the Annual Financial Statements including the Auditor’s Report and the Annual MD&A will not constitute approval or disapproval of any matters referred to therein. The Annual Financial Statements and Annual MD&A can be obtained from <https://docs.tsxtrust.com/2073> or under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may receive paper copies of the Notice of Meeting, this Management Information Circular, the Annual Financial Statements and the Annual MD&A by following the procedures referred to under the heading “Notice-and-Access”. In the alternative, upon receiving a written request to the address provided under the heading “Additional Information” of this Management Information Circular, the Corporation will mail a copy of the Annual Financial Statements and Annual MD&A to you.

### **2.2 Election of Directors**

The Corporate Governance and Nominating Committee, with the assistance of an external search consultant if necessary, identifies and recommends to the Board the proposed nominees for appointment to election at each annual meeting of shareholders consistent with criteria approved by the Board. The Board proposes the five persons named in the table on the following page as candidates for election as directors. Each elected director will remain in office until the next annual meeting of the shareholders or until their successor is elected or appointed, unless their post is vacated earlier. The candidates proposed by the Board have been directors of the Corporation since the dates indicated below.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE DIRECTORS. UNLESS INSTRUCTIONS ARE GIVEN TO ABSTAIN FROM VOTING WITH REGARD TO THE ELECTION OF DIRECTORS, THE PERSONS WHOSE NAMES APPEAR ON THE ENCLOSED FORM OF PROXY WILL VOTE FOR THE ELECTION OF EACH OF THE FIVE NOMINEES WHOSE NAMES ARE SET OUT IN THE TABLE ON THE FOLLOWING PAGE.**

The Board does not foresee that any of the following nominees listed below will be unable or, for any reason, unwilling to perform his or her duties as director. In the event that the foregoing occurs for any reason, prior to the election, the persons indicated on the enclosed form of proxy reserve the right to vote for another candidate of their choice unless otherwise instructed by the shareholder in the form of proxy to abstain from voting on the election of directors.

In order for the resolution to be passed, approval by the majority of the votes cast by all of the shareholders, present virtually and by proxy at the Meeting, is required.

The enclosed form of proxy allows shareholders to direct proxyholders to vote individually for each of the nominees named below as director of the Corporation.

The following table and notes set out the name of each of the individuals proposed by the Board for election as a director of the Corporation, their principal occupation, the date they first became a director of the Corporation and the number of shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each such individual as at August 5, 2020:

<b>Nominee Position with the Corporation and Province/State and Country of Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled as at August 5, 2020 <sup>(1)</sup></b>
Joseph Leeder <sup>(2)</sup> Ontario, Canada • Director of the Corporation	Chief Financial Officer and Director, Park Lawn Corporation	November 26, 2007	51,750
Craig Campbell <sup>(3)</sup> Ontario, Canada • Chief Executive Officer and a Director of the Corporation and its operating subsidiaries, Avante Security Inc., City Wide Locksmiths Ltd., and Logixx Security Inc.	Chief Executive Officer, Avante Logixx Inc.	January 10, 2018	2,888,600
Stewart Lyons <sup>(4)</sup> Ontario, Canada • Director of the Corporation	Chief Executive Officer, Bird Canada	September 18, 2018	Nil <sup>(7)</sup>
Carol Osler <sup>(5)</sup> Ontario, Canada • Director of the Corporation	Executive Director of Friends of Ruby	September 18, 2018	Nil
Samuel L. Duboc <sup>(6)</sup> Ontario, Canada • Director of the Corporation	President & CEO, Elkland Capital Inc. Chair & CEO, MindBeacon Partner, EdgeStone Capital Partners.	September 18, 2019	100,000
<b>TOTAL</b>			3,040,350

**NOTES:**

- The information as to shares beneficially owned, directly or indirectly, or over which control is exercised is not within the knowledge of the Corporation and has been furnished by the respective individuals.
- Member of the Audit Committee (Chair) and Compensation Committee.
- Craig Campbell holds 102,500 Common Shares, and controls another 2,786,100 Common Shares in his capacity as the owner of Resilience Security Partners GP Inc., the general partner of Resilience Security Partners LP, a limited partnership and Resilience Special Partner Inc.
- Member of the Audit Committee and Corporate Governance and Nominating Committee (Chair).
- Member of the Audit Committee and Corporate Governance and Nominating Committee.
- Chair of the Board, Member of the Compensation Committee (Chair) and Investment Committee (Chair).
- Lyons owns 100,000 units of Resilience Security Partners LP which is controlled by Craig Campbell and Mr. Lyons does not have direction or control over shares in the Corporation."

There are no contracts, arrangements or understandings between any nominee and any other person (other than the directors and officers of the Corporation acting solely in such capacity) pursuant to which the nominee has been or is to be elected as a director.

The proposed directors of the Corporation as a group of five persons owned beneficially or exercised control or direction over 3,040,350 Common Shares, or approximately 14.35%, of the Common Shares, as at August 5, 2020. See also "Voting and Proxies - Voting Shares and Principal Shareholders Thereof" above.

The following are brief biographies of each of the nominees for director:

***Joseph Leeder:***

Joseph Leeder has been a director of Park Lawn Corporation, a Toronto Stock Exchange-listed cemetery, funeral and cremation business, since April 2013, and Chief Financial Officer of Park Lawn Corporation

since July 2013. Mr. Leeder is a Chartered Accountant and was a Partner in the Toronto office of KPMG LLP from 1990 to 1997. After leaving KPMG, Mr. Leeder held the position of Chief Financial Officer at Envoy Communications Group from 1998 to 2002, Upper Canada Forest Group from 2003 to 2005 and Envoy Capital Group from 2005 to 2010. From 2011 until he joined Park Lawn Corporation, Mr. Leeder provided consulting and business advisory services.

***Craig Campbell:***

Craig Campbell is the founder and CEO of Resilience Capital Inc., a Toronto-based investment company which invests in stable, profitable operating companies (with a focus on the security industry) that have high growth potential and a sustainable, competitive advantage. Previously, Mr. Campbell was the founder and CEO of Total Security Management (“TSM”), a provider of full-service security. Under Mr. Campbell’s stewardship, TSM grew into Canada’s largest privately-held security firm. In 2013, Mr. Campbell sold the TSM brand and its Canadian guard services unit to a global protection firm. Mr. Campbell received the Entrepreneur of the Year Award by Ernst & Young in 2004 and, in 2010 was named one of Canada’s Top 40 Under 40™. Mr. Campbell is an alumnus of Harvard Business School’s Owner/President Management program and is a graduate of the Rotman School of Management’s Director’s Education Program.

***Stewart Lyons:***

Stewart Lyons is the CEO of Bird Canada, the Canadian licensee of the world's leading e-scooter provider. Stewart is a nationally recognized business leader and previously was the SVP – Emerging Business at SiriusXM Holdings Inc. (NASDAQ: SIRI), focused on building and growing Automatic Labs, a SiriusXM company, that is a San Francisco-based developer of software and hardware that monetizes data in the connected vehicle space. Previously he was CEO of TeraGo Networks Inc. (TSX: TGO), a national IT solutions company which he grew into the largest Canadian cloud provider. Previously, Mr. Lyons was the co-founder and President of Mobilicity, a national wireless mobility new entrant grew to serve 300,000 subscribers in Toronto, Vancouver, Calgary, Edmonton, and Ottawa and was subsequently sold to Rogers Communications for \$465 million. Prior to Mobilicity, Stewart co-founded Sirius XM Canada, leading its launch, financing, as well as sales and marketing efforts. The company exited to the public markets and has an enterprise value of almost \$1 billion. In 2011, Caldwell Partners International named Mr. Lyons as one of Canada’s Top 40 Under 40. Mr. Lyons was also selected as one of Western University’s “Extraordinary Alumni”, University of Toronto’s “People who make a Difference” and has been frequently profiled in multiple national publications such as the Globe and Mail, the National Post and others. Stewart has an MBA from the University of Toronto, an LLB from Osgoode Hall Law School, and is a lawyer and member of the Law Society of Ontario. He is also a member of the Young President’s Organization (YPO). Stewart Lyons was the President of Data & Audio Visual Enterprises Wireless, Inc., (which did business as Mobilicity), when it filed for protection under the Companies’ Creditors Arrangement Act on September 30, 2013.

***Carol Osler:***

Carol Osler is the Executive Director of Friends of Ruby, a non-profit charitable organization that supports the progressive well being of LGBTQI2S youth. Prior to this role, Ms. Osler worked as Senior Vice President and Senior Executive Advisor – Community Partnerships for TD Bank Group and was formerly the Head of the Financial Crimes and Fraud Management Group. Ms. Osler is known for her work in fraud management, security, and enterprise project office. Ms. Osler’s portfolio at TD Bank Group included Business Management & Governance, Global Security and Investigations, North American Fraud Analytics, North American Operations and Claims Strategies, Solutions and Innovations. Ms. Osler has also been a leader in the industry and has worked with other financial institutions to address their cyber security concerns. Ms. Osler has held progressively more senior positions in both the private and public

sectors, including Director, Security Services at the Metropolitan Toronto Housing Authority, Director, Corporate Security and Privacy at Ontario Power Generation, and Vice President, Chief Information Security Officer and Governance Services at Sun Life Financial. She has also lived and worked in Asia as the Regional Chief Information Officer of Sun Life Financial, driving transformation of the Asia Pacific technology strategy and teams. A strong supporter of women in security, Ms. Osler is dedicated to developing and mentoring women with leadership aspirations in the field. In 2012, she was named Security Director of the Year by Canadian Security magazine and received the Deloitte Out on Bay Street Professional Leadership Award. Ms. Osler is a National Association of Professional Women VIP Woman of the Year recipient. In 2014 and 2015 was named one of Canada's most powerful women by the Women's Executive Network, and in 2016 received the Catalyst Canada Honours emerging Leaders Award.

***Samuel (Sam) L. Duboc:***

Mr. Duboc's career is marked by his passion for entrepreneurship, his ingenuity and corporate and community leadership. He is President & CEO of Elkland Capital Inc., a family-owned investment firm with a current portfolio covering a wide range of industries including, but not limited to, health services, clean energy, marketing services and technology. Mr. Duboc is also the Chair & CEO of MindBeacon Group, behavioral health companies that deliver evidenced based therapy through clinics and a digital platform. As a co-founder, Sam successfully built EdgeStone Capital Partners, one of Canada's leading private equity firms which has managed in excess of \$2 billion for institutional and high-net-worth investors since its inception. Prior to this, he was a managing director at CIBC Capital Partners and co-founder of the Loyalty Group Inc. (now called LoyaltyOne), the parent company of the AIR MILES Reward Program.

In 2013, Mr. Duboc served as the Clifford Clark Visiting Economist and Special Advisor on Venture Capital for the Department of Finance Canada, leading a team in designing and implementing the Government of Canada's Venture Capital Action Plan. Throughout his career, Sam has served on the boards of numerous companies including, but not limited to, Business Development Bank of Canada (Chair, 2014-2018), Porter Aviation Holdings Inc. and Stephenson's Rental Services Inc. He currently serves on the board of directors of CBT Associates and its affiliates.

A dedicated and active member of the community, Mr. Duboc is a co-founder and former chair of Pathways to Education Canada, an internationally recognized and award-winning non-profit organization focused on improving the lives of Canada's disadvantaged youth and their communities through educational attainment. In addition to his work with Pathways, Sam is the co-founder of LEAP: The Centre for Social Impact, board member of The Rumie Initiative, former board member of the CAMH Foundation and a member of the World's President's Organization (WPO), the Chief Executives Organization (CEO) and Ontario's Panel on Economic Growth and Prosperity.

Sam holds a Bachelor of Science degree in Chemical Engineering from Tufts University magna cum laude and Tau Beta Pi and an MBA from Harvard Business School. In 2000, Sam was recognized as one of Canada's Top 40 under 40 and in 2005 was chosen as one of the ten "most influential" alumni of the program. Mr. Duboc is a recipient of an Outstanding Volunteer Award from the Association of Fundraising Professionals (AFP) Greater Toronto Chapter (2013) and Ted Anderson Community Leadership Award from the Canadian Venture Capital Association (2014).

Except as disclosed elsewhere in this circular, to the knowledge of the Corporation and based upon information provided to it by the nominees for election to the Board, no such nominee:

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
- (i) was subject to an Order that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the nominee.

For the purposes of paragraph (a) above, “Order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

### **2.3 Re-appointment of Auditors**

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting. The Board, upon the recommendation of the Audit Committee, proposes that RSM Canada LLP be re-appointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. RSM Canada LLP have acted as auditors of the Corporation since October 26, 2018.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RE-APPOINTMENT OF RSM CANADA LLP AND AUTHORIZING THE DIRECTORS OF THE CORPORATION TO DETERMINE THEIR COMPENSATION. UNLESS INSTRUCTED TO ABSTAIN FROM VOTING WITH REGARD TO THE RE-APPOINTMENT OF AUDITORS, THE PERSONS WHOSE NAMES APPEAR ON THE ENCLOSED FORM OF PROXY WILL VOTE FOR THE RE-APPOINTMENT OF RSM CANADA LLP AND AUTHORIZING THE DIRECTORS OF THE CORPORATION TO DETERMINE THEIR COMPENSATION.**

In order for the resolution to be passed, approval by the majority of the votes cast by all of the shareholders, present virtually and by proxy at the Meeting, is required.

The fees billed by the auditors of the Corporation are reviewed by the Audit Committee. For the years ended March 31, 2020 and March 31, 2019 the fees billed by the auditors with respect to the Corporation were in the amounts and for the purposes as set out below:

Service	Year Ended March 31	
	2019	2020
Audit Fees:	\$151,500	\$200,000
PPAs & Opening Balance Sheets:	\$80,000	20,000
Audit Related Fees:	\$10,000	45,000
Tax Fees:	\$17,500	22,250
Quarterly Reviews:	\$68,000	51,000
All Other Fees:	\$Nil	10,000
Total:	\$327,000	\$348,250

## 2.4 Ratification of Stock Option Plan

The Corporation's 10% rolling stock option plan (the "**Plan**") is described in detail below in this Management Information Circular at Article 5 "Stock Option Plan." The Plan does not specify a fixed and specific maximum number of Common Shares that may be reserved for issuance thereunder. Rather, the Plan is considered to be a 'rolling' stock option plan by the TSX Venture Exchange in that the aggregate number of Common Shares issuable pursuant to the exercise of outstanding stock options granted under or subject to the Plan at any one time may not exceed 10% of the issued and outstanding shares of the Corporation from time to time. The policies of the TSX Venture Exchange require that a 'rolling' stock option plan receive yearly shareholder ratification at a company's annual general meeting. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass, with or without variation, an ordinary resolution ratifying the Plan (the "**Option Plan Ratification Resolution**"). The terms of the Plan remain the same as approved at the 2015 annual meeting and as last ratified at the 2019 annual meeting. In order to be passed, the Option Plan Ratification Resolution must be passed by an affirmative vote of the majority of the votes cast at the Meeting, present virtually or represented by proxy at the Meeting.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE PLAN. UNLESS UNLESS OTHERWISE INSTRUCTED, THE PERSONS DESIGNATED IN THE FORM OF PROXY AND THE VOTING INSTRUCTION FORM INTEND TO VOTE FOR THE RATIFICATION OF THE PLAN.**

The text of the Option Plan Ratification Resolution to be submitted to shareholders at the Meeting is set forth below:

"BE IT RESOLVED THAT:

1. the Corporation's 10% rolling stock option plan be and is hereby, ratified and confirmed; and
2. any director or officer of the Corporation be and each is hereby, authorized to do all acts and things, to execute, under the seal of the Corporation or otherwise, to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such persons determine to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolutions."

### ARTICLE 3- SHAREHOLDER PROPOSAL

The *Business Corporations Act* (Ontario) permits certain eligible shareholders to submit a notice of of any matter that the shareholder proposes to raise at the meeting (a “**proposal**”) and the corporation is required to set out the proposal in the management proxy circular or as an attachment thereto.

Set out in Schedule “E” of this Management Information Circular is one (1) shareholder proposal that has been submitted by a shareholder for consideration at the Meeting on an advisory basis, and the response of the Board. The required identification of the shareholder submitting the proposal and the shareholder’s statement of support in connection with the proposal is also set out in Schedule “E”.

The proposal would require a majority of the votes cast at the Meeting to be in favor of the proposal in order to be passed.

### ARTICLE 4- STATEMENT OF CORPORATE GOVERNANCE PRACTICES

#### 4.1 General

Effective June 30, 2005, the Canadian Securities Administrators adopted National Policy 58-201 - “Corporate Governance Guidelines” (the “**Guidelines**”) and National Instrument 58-101 - “Disclosure of Corporate Governance Practices” which requires that each reporting issuer annually disclose its corporate governance practices.

The following disclosure is based on the disclosure requirements of the Guidelines.

#### 4.2 Board Mandate

The Board assumes ultimate responsibility for the stewardship of the Corporation and carries out its mandate directly and through considering recommendations it receives from the committees of the Board and from management. With input and guidance from the Investment Committee, the Board approves all material acquisitions and dispositions of its operating businesses.

Effective July 23, 2019, the Board has adopted an amended and restated code of business conduct and ethics that applies to directors, officers, employees and consultants, a copy of which is available for review under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Management is responsible for the day-to-day operations of the Corporation, and pursues Board approved strategic initiatives within the context of authorized business, capital plans and corporate policies. Management is expected to report to the Chief Executive Officer, who reports to the Board on a regular basis on short-term results and longer term development activities.

The Board is specifically responsible for adoption of a strategic planning process, identification of principal risks and implementing risk-management systems, succession planning and the continuous disclosure requirements of the Corporation under applicable securities laws and regulations.

#### 4.3 Composition and Operation of the Board

The Guidelines recommend that a majority of directors of a listed corporation be “independent” as defined by National Instrument 52-110 - Audit Committees (“**NI 52-110**”). An independent director is a director who does not have any direct or indirect material relationship with the issuer. “Material relationship” is

defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 further sets out certain relationships which are deemed to be material relationships.

Each director is elected annually by the shareholders and serves for a term that will end at the Corporation's next annual meeting. The Board has determined that out of the five members of the Board nominated for election at the Meeting, four of the members will be independent.

The Board has regularly scheduled quarterly meetings and special meetings to review matters when needed. The Board met (in person, virtually or by conference call) or conducted business by resolution 12 times during the fiscal year ended March 31, 2020. All of these Board meetings were approximately three hours in duration. The Board encourages its independent members to hold separate discussions regarding the Corporation to the extent such directors believe this is necessary.

The chairperson of the board is responsible for providing overall direction to the board and is responsible for carrying out its overall mandate. Specific written position descriptions for the Chairperson and the chairs of the Board's committees have been created. Individual directors may, with the approval of the Chairperson of the Board or of the entire Board, engage outside advisers at the expense of the Corporation. No outside advisers were retained by individual directors during the last fiscal year.

The following table outlines the Corporation's independent and non-independent Board nominees and directors during the fiscal year ended March 31, 2020:

<b>Director</b>	<b>Independent/Non-Independent</b>
Craig Campbell	Non-Independent
Joseph Leeder	Independent
Carol Osler	Independent
Stewart Lyons	Independent
Samuel Duboc	Independent
Andrew Coles (resigned effective December 31, 2019)	Independent
Elizabeth Cynthia Tripp (resigned effective November 20, 2019)	Independent

Craig Campbell is considered to be non-independent by virtue of his position as Chief Executive Officer of the Corporation.

#### **4.4 Directorships**

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction in Canada or abroad:

<b>Director</b>	<b>Issuer</b>	<b>Jurisdiction</b>
Joseph Leeder	Park Lawn Corporation	Ontario

#### **4.5 Ethical Business Conduct**

The Board, as a whole, deals with the values, principles and practices that guide the business conduct of the Board and the performance of their responsibilities. The Board has adopted a Director Code of Conduct in order to support a culture of integrity and transparency. Pursuant to the code, each director must act with

integrity and observe the highest ethical standards of business conduct in his or her dealings with the Corporation and his or her fellow directors.

#### **4.6 Board Committees**

The Corporation has four committees of the board: (i) an Audit Committee; (ii) a Corporate Governance and Nominating Committee; and (iii) a Compensation Committee, (iv) an Investment Committee.

The Chairperson of the Board reviews and recommends on an annual basis to the Board a list of candidates for the composition of the board committees. The committees are reconstituted on an annual basis at the first meeting of the Board following the Corporation's annual general meeting.

The Board ensures that new directors receive an appropriate orientation in order that they understand the role of the board of directors and its committees. Each new director meets the Chief Executive Officer and members of the Corporate Governance and Nominating Committee who discuss with the new director what is expected of that candidate as a member of the Board and/or its committees.

#### **4.7 Audit Committee**

As a company listed on the TSX Venture Exchange, the Corporation is required to have an Audit Committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. A copy of the Audit Committee Charter (the "**Audit Committee Charter**") is attached as Schedule "A" to this Management Information Circular.

##### Composition of Audit Committee

The Audit Committee has three members. They are Joseph Leeder (Chair), Carol Osler and Stewart Lyons. All of the members are independent directors and are financially literate.

##### Mandate

The mandate of the Audit Committee provides that its members shall meet at least quarterly prior to the release of the interim and annual financial results. The Audit Committee met four times in the fiscal year ended March 31, 2020, and once subsequently. It is expected that the Audit Committee will be re-appointed at the first meeting of directors immediately following the Meeting.

##### Relevant Education and Experience

All members of the Audit Committee have the education and practical experience required to understand and evaluate statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

##### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed fiscal year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed fiscal year has the Corporation relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

The Corporation has not adopted any specific policies in relation to the engagement of non-audit services.

### Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

## **4.8 Corporate Governance and Nominating Committee**

On July 7, 2015, the Board formally established a Corporate Governance and Nominating Committee (the "CGNC"). The CGNC is currently comprised of two members. They are Stewart Lyons (Chair), and Carol Osler. A copy of the Corporate Governance and Nominating Committee Charter (the "**Corporate Governance and Nominating Committee Charter**") is attached as Schedule "B" to this Management Information Circular.

The principal responsibilities of the CGNC include: (i) reviewing the corporate governance practices of the Corporation and assessing the functioning for the Board members and its committees; and (ii) providing recommendations concerning individuals qualified to serve as members of the Board.

The CGNC discusses with the Board potential candidates to the Board. The Board then examines and recommends new candidates for the Board. Board nominees are then submitted by the management of the Corporation for voting by shareholders at the Corporation's annual general meeting.

## **4.9 Compensation Committee**

On July 7, 2015, the Board formally established a Compensation Committee. The Compensation Committee is comprised of two independent directors. They are Sam Duboc (Chair) and Joseph Leeder. A copy of the Compensation Committee Charter (the "**Compensation Committee Charter**") is attached as Schedule "C" to this Management Information Circular.

The principal responsibility of the Compensation Committee is to review the compensation of senior officers and executives of the Corporation. The Compensation Committee approves overall compensation of Named Executive Officers (as defined under the heading "Compensation Discussion and Analysis"). The Board, acting on the recommendation of the Compensation Committee, reviews and approves the overall compensation of the Chief Executive Officer, including benefits and employment conditions. Any compensation or award to the Chief Executive Officer under any of the elements of the compensation described below is determined and approved independently and without input from them. In addition, the Board reviews and approves the recommendations of the Compensation Committee for stock option grants for the CEO, CFO and senior executives and employees. Salary and bonus information for the Named Executive Officers and employees is shared with the Board for information purposes only.

The skills and experience possessed by members of the Compensation Committee acquired as a result of their lengthy and extensive business careers and experience as described above will assist and enable them

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

To succeed and to achieve business and financial objectives, the Corporation needs to attract, retain and motivate talented directors with strong leadership and management capabilities. Director compensation is determined by the Compensation Committee annually based on this need and is determined by the director's performance, level of expertise, responsibility, length of service to the Corporation and comparable levels of remuneration paid to directors of other companies of comparable size and development within the industry.

#### **4.10 Investment Committee**

On September 18, 2018 the Board formally established the Investment Committee. The Investment Committee is comprised of 2 independent directors. They are Sam Duboc (Chair) and Carol Osler. A copy of the Investment Committee Charter is attached as Schedule "D" to this Management Information Circular.

The function of the Investment Committee is to review and assess, and assist the Board in reviewing and assessing, potential acquisitions, strategic investments and divestitures. See the Charter of the Investment Committee for details on the duties and responsibilities of the Investment Committee.

#### **4.11 Assessments**

Pursuant to the Corporate Governance and Nominating Committee Charter, the CGNC is responsible for reviewing annually and assessing the effectiveness of the Board as a whole, the Chair of the Board, each committee of the Board and the contribution, competency and skill of individual directors. Assessments of individual board members are informal in nature and may take the form of meetings between the chairperson of the CGNC and each individual director in order to facilitate a discussion of the director's contribution and that of the other directors. Furthermore, to assist with the annual review, the CGNC has developed a questionnaire which is completed by each director as part of the assessment process. Any areas for improvement identified by the chairperson of the CGNC would then be reported to the CGNC and the Board as required. Time may also be set aside at a meeting of the CGNC or the Board for a discussion regarding the effectiveness of the Board and its committees.

## **ARTICLE 5- STATEMENT OF EXECUTIVE COMPENSATION**

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

#### Compensation of Officers

The following is intended to disclose all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer in accordance with National Instrument 51-102 - Continuous Disclosure Obligations and Form 51-102F6V. For these purposes, a "Named Executive Officer" means Craig Campbell as Chief Executive Officer, Stephen Rotz as Chief Financial Officer from January 20, 2020, Scott Goodman as Chief People and Legal Officer, Geoff Reed as President, Avante Security Inc. from July 8, 2019 and Han Koren as President, Logixx Security Inc. from December 2, 2019.

The administration of the Corporation's compensation practices is handled by the Board, pursuant to the recommendations of the Compensation Committee. The Board must ensure that the compensation of the Corporation's executive officers is consistent with the aggregate compensation philosophy of the Corporation, as set out below. Any compensation or award to the Chief Executive Officer under any of the

elements of the compensation described below is determined and approved independently. In addition, the Board reviews and approves the recommendations of the Compensation Committee for stock option grants for the senior executives. Salary and bonus information for the Chief Executive Officer, Chairperson and senior executives and employees is shared with the Board.

The Board has not formally established a mechanism to consider the implications of the risks associated with the Corporation's compensation policies and practices. However, the Board inherently considers these risks. The Board, along with the Compensation Committee, reviews and manages the policies and practices of the Corporation and ensures that they are aligned with the interests of the shareholders. The Board reviews, among other things, the overall compensation and the annual salary increases of the executive officers of the Corporation while keeping as a reference both the financial performance of the Corporation and the turnover risk for the Corporation. The Board also addresses risk related to compensation policies in the context of compensation mechanisms that are linked to the achievement of certain goals or projects (e.g. short term and long term objectives).

The Corporation does not have a policy in place that permits, limits or prohibits the directors or Named Executive Officers to hedge the securities of the Corporation that they own. However, to the knowledge of the Corporation, none of the current directors or Named Executive Officers of the Corporation are hedging any of the securities of the Corporation that they own.

#### Compensation Objectives

The Corporation's executive compensation philosophy is designed to attract, retain and reward highly qualified individuals and motivate them to achieve performance objectives aligned with the Corporation's vision and strategic orientation and consistent with shareholder value creation. The Corporation's goal is to provide market competitive remuneration consistent with responsibility level, experience and performance. That said, the Board must also ensure that the compensation of the Corporation's Named Executive Officers is consistent with the aggregate compensation philosophy and prevailing financial condition of the Corporation.

In accordance with the Corporation's executive compensation philosophy, a significant portion of the compensation of the Corporation's Named Executive Officers is related to the financial performance of the Corporation and the responsibilities inherent to each executive's duties. The Board reviews the compensation programs of the Named Executive Officers and of all the executive officers annually in order to ensure their competitiveness and compliance with the objectives, values and strategies of the Corporation.

#### Elements of Compensation

The Corporation seeks to achieve the compensation objectives described earlier through different elements of compensation, including salary and both short-term and long-term incentive plans, with the incentives having both equity and non-equity components. The Corporation believes that these various elements are important to effectively achieve the objectives of its executive compensation philosophy.

These elements of the Named Executive Officers' compensation are:

- (a) base salary;
- (b) annual incentive plans and benefits; and
- (c) stock options.

If the circumstances require, the Board may, in its sole discretion, recommend employment conditions that are different from the policies in effect. See “Executive Employment Agreements” below for information regarding performance criteria or goals relating to the compensation of the Named Executive Officers.

### Base Salary

Base salary is reflective of responsibilities and annual increases, if any, should, at a minimum, reflect inflationary pressures and changes in duties. At the date of hire, base salary is determined using a number of factors including industry comparisons and relevant experience and is set out in the employment agreements. Annual increases are determined based upon reference to data on compensation levels of executives in comparable companies (i.e. public companies in the security and monitoring sector) as well as annual performance evaluation and underlying economic circumstances.

### Annual Incentive Plans and Benefits

No share-based awards were granted to the Named Executive Officers in the financial year ended March 31, 2020. The Corporation has not granted any incentive share-based awards to any of its Named Executive Officers, including, but not limited to, share appreciation rights. Furthermore, there were also no cash bonuses paid except as referenced in table below.

### Stock Options

The long-term incentive component of compensation for Named Executive Officers is based on stock option awards. This component of compensation is intended to reinforce management’s commitment to long-term improvements in the Corporation’s performance and shareholder value. The Board may at any time and from time to time grant options to senior executives and employees of the Corporation on such terms and conditions as it considers appropriate. Stock options are granted according to the specific level of responsibility of the particular executive and the number of options for each level of responsibility is determined by the Compensation Committee. Where new grants are made, previous grants are also taken into consideration to ensure that the overall options granted are fair in relation to those of other employees and executives within the range of option grants of similar companies in the same industry.

### Compensation of the Named Executive Officers

The total compensation package available for the Named Executive Officers includes a base salary, a discretionary bonus component and a long-term equity component based on stock option awards. Compensation is based upon the factors outlined above and the performance of the Corporation.

### Risk Management

The Board based on recommendations of the Compensation Committee reviews the performance objectives associated with annual incentive plans to ensure that they do not result in any undue risks for the Corporation. The balance between short and long-term objectives in the design of the compensation programs is taken into account by the Corporation in the design of compensation plans and in the annual evaluation of the achievement of objectives when deciding on the amounts of annual incentive awards. The Corporation has not implemented any claw-back arrangements related to the executive compensation programs.

The Board has not formally established a mechanism to consider the implications of the risks associated with the Corporation’s compensation policies and practices; however, the Board inherently considers these risks.

## 5.2 Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out the compensation of each Named Executive Officers and Directors of the Corporation (other than compensation securities) for the years ended March 31, 2020 and March 31, 2019:

Table of Compensation Excluding Compensation Securities							
Name and Position	Fiscal Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fee	Value of perquisites	Value of all other compensation	Total compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Craig Campbell, Chief Executive Officer and Director <sup>(1)</sup>	2020	375,000	-	-	-	18,000	393,000
	2019	281,845	-	-	-	18,000	299,845
Stephen Rotz, Chief Financial Officer of the Corporation <sup>(2)</sup>	2020	53,425	-	-	-	3,600	57,025
	2019	-	-	-	-	-	-
Scott Goodman, Chief People and Legal Affairs Officer of the Corporation <sup>(3)</sup>	2020	250,000	-	-	-	14,400	264,400
	2019	114,423	-	-	-	6,590	121,013
Han Koren, President Logixx Security Inc.	2020	78,333	-	-	-	4,000	82,333
	2019	-	-	-	-	-	-
Geoff Reed, President, Avante Security Inc.	2020	138,846	-	-	-	14,769	153,615
	2019	-	-	-	-	-	-
Francis Michaud, Interim Chief Financial Officer of the Corporation <sup>(4)</sup>	2020	192,877	-	-	-	-	192,877
	2019	83,333	-	-	-	-	83,333
Raghu Sampath, Chief Financial Officer of the Corporation <sup>(5)</sup>	2020	-	-	-	-	-	-
	2019	125,620	-	-	-	164,000	289,620
Leland Verner, Chairperson and Director <sup>(6)</sup>	2020	-	-	-	-	-	-
	2019	106,000	-	35,250	-	53,000	194,250
Bruce Bronfman, Director	2020	-	-	-	-	-	-
	2019	6,000	-	15,500	-	-	21,500
Mike Pilato, Director	2020	-	-	-	-	-	-
	2019	5,000	-	10,500	-	-	15,500
Rose Baker, Director	2020	-	-	-	-	-	-
	2019	6,000	-	15,500	-	-	21,500
Cynthia Tripp, Director	2020	37,500	-	-	-	-	37,500
	2019	37,500	-	-	-	-	37,500
Carol Osler, Director	2020	50,000	-	-	-	-	50,000
	2019	37,500	-	-	-	-	37,500
Andrew Coles, Director	2020	55,000	-	-	-	-	55,000
	2019	37,500	-	5,250	-	-	42,750
Joseph Leeder, Director	2020	50,000	-	-	-	-	50,000
	2019	37,500	-	7,500	-	-	45,000
Stewart Lyons, Director	2020	50,000	-	-	-	-	50,000
	2019	37,500	-	-	-	-	37,500
Samuel Duboc, Director	2020	25,000	-	-	-	-	25,000
	2019	-	-	-	-	-	-

### NOTES:

1. Campbell was appointed Chief Executive Officer of the Corporation on January 10, 2018. Also included under the column 'value of all other compensation' is for car allowance paid to Mr. Campbell.

2. Rotz was appointed Chief Financial Officer of the Corporation on January 20, 2019. Also included under the column 'value of all other compensation' is for car allowance paid to Rotz.
3. Goodman was appointed Chief People and Legal Officer of the Corporation on October 2, 2018. Also included under the column 'value of all other compensation' is for car allowance paid to Goodman.
4. Michaud was appointed Interim Chief Financial Officer of the Corporation on November 1, 2018. In consultation with and agreement to accept a severance payment, Michaud resigned as Interim Chief Financial Officer effective March 18, 2020.
5. Mr. Sampath was appointed Chief Financial Officer of the Corporation on September 7, 2010. In consultation with and agreement to accept a severance payment Mr. Sampath resigned as Chief Financial Officer effective November 21, 2018. Also, included under the column 'value of all other compensation' are medical reimbursements paid to Mr. Sampath and his severance of \$164,000.
6. During the financial year ended March 31, 2019, Illyria Inc. ("Illyria"), a management company controlled by Mr. Verner was paid \$100,000 pursuant to a consulting agreement made as of November 17, 2015 between Illyria and the Corporation, and Mr. Verner was paid \$35,250 as compensation for acting as Chairperson. Also, the amount of \$50,000 disclosed under 'value of all other compensation' is a severance amount being paid to Mr. Verner in agreement to terminate his consulting agreement.

### 5.3 Temporary Salary Reductions for Named Executive Officers and Directors

As a result of business uncertainty related to the impacts of the COVID-19 global pandemic, the Corporation implemented a temporary 20% salary reduction, effective April 8, 2020, from salary amounts detailed in the Table of Compensation Excluding Compensation Securities (item 4.2 above). The Directors of the Corporation also cut their fees by 20% , effective April 8, 2020. These 20% reductions remain in effect as of the Record Date. The Corporation has not yet determined when to end the temporary salary reduction and re-implement full salaries to the Named Executive Officers.

### 5.4 Stock Options

The following table sets forth all compensation securities granted or issued to each Director and Named Executive Officer by the Corporation in the financial year ended March 31, 2020 for services provided or to be provided, director or indirectly, to the Corporation or any of its subsidiaries:

<i>Compensation Securities</i>							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Han Koren President, Logixx Security Inc.	Options	50,000	December 2, 2019	\$1.55	\$1.50	\$0.81	
Stephen Rotz	Options	200,000	January 20, 2020	\$1.55	\$1.55	\$0.81	

The following table sets forth each exercise by a Director or Named Executive Officer of compensation securities during the financial year ended March 31, 2020:

<i>Exercise of Compensation Securities by Directors and Named Executive Officers</i>							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
No options were exercised during the fiscal year ended March 31, 2020.							

## 5.5 Termination and Change of Control Benefits

There are written employment agreements in effect between the Corporation and each of the Named Executive Officers which provide for payments following or in connection with any termination, resignation, retirement, change in control or change in the responsibilities of the Named Executive Officer's duties. The details of these payments are set out under the description of the particular agreements. See "Executive Employment Agreements" below. The provisions of the Stock Option Plan provide for the immediate vesting of all unvested options in the event of a takeover bid resulting in a change of control.

## 5.6 Executive Employment Agreements

The following describes the respective employment agreements entered into by the Corporation and the Named Executive Officers or directors under which compensation was provided during the most recently completed financial year:

### Craig Campbell

Craig Campbell and the Corporation entered into an amended and restated employment agreement effective October 1, 2018 which provides that Mr. Campbell will act as Chief Executive Officer of the Corporation.

**Base Salary:** The employment agreement provides that Mr. Campbell is entitled to a base salary (the "**Base Salary**") of \$375,000 annually, together with a discretionary bonus, entitlement to participate in the Corporation's employee benefit plan and reimbursement of approved expenses.

**Bonus:** Mr. Campbell is also eligible for a bonus (the "**Annual Bonus**"), as determined by the Board on the basis set forth below, for each year of Mr. Campbell's employment in an amount of up to 125% of the Base Salary. The basis for the Annual Bonus is reviewed annually by the Compensation Committee who shall make recommendations to the Board, including establishing baseline and stretch targets based on achieving a number of targets using a balanced scorecard methodology. Subject to Mr. Campbell's employment agreement he was not eligible to receive a bonus for the fiscal year 2018 and no bonus was paid for the fiscal year 2019 or the fiscal year 2020.

**Benefits:** Mr. Campbell will be reimbursed by the Corporation for all expenses reasonably and properly incurred by him on behalf of the Corporation, provided that they are reported to the Corporation in a timely and appropriate manner. Mr. Campbell is entitled to a vehicle leased by the Corporation for business use, not exceeding \$1,500.00 per month, and corporate benefits, including life insurance, accidental death and dismemberment insurance equal to the life insurance amount and dependent life insurance as well as participation in the Corporation's medical and dental benefits plan with an additional provision for an annual payment of up to \$5,000 for any medical or dental expenses not covered by the Corporation's plan. The Corporation provides Mr. Campbell with security services in the amount of \$6,100 per annum plus the cost of security equipment and installation thereof. The Corporation will also pay Mr. Campbell's annual membership fees with Young Presidents' Organization. The expenses will be approved by an independent Board member.

**Termination With Cause:** The Corporation is entitled, in its sole discretion, to terminate the employment of Mr. Campbell, without notice or payment in lieu of notice, for cause. The Corporation has no obligation to Mr. Campbell after the effective date of termination except for payment of any Base Salary accrued to

the date of termination and any other amounts relating to accrued Annual Bonus, expense reimbursement and benefits which have accrued but not yet been paid prior to the date of termination.

**Termination Without Cause:** The Corporation is entitled in its sole discretion to terminate his employment agreement upon payment to Mr. Campbell of a severance payment equal an amount calculated using the formula:  $(A+B)$  for a period of seventeen (17) months plus on (1) additional month for each year of completed service up to a maximum of twenty-two (22) months in the aggregate (the “Severance Period”), where A is Mr. Campbell’s Base Salary on the date his employment is terminated and B is the average of Mr. Campbell’s annual bonus pursuant to the Annual Bonus for the three full fiscal years of the Corporation immediately preceding the date of termination, except that if less than three full fiscal years of employment has been completed by Mr. Campbell as of the date of termination, then, for the purpose of determining the Severance Payment, the amount shall be the Annual Bonus that was paid or payable to Mr. Campbell (if any) for the fiscal year immediately preceding the date of termination. So long as severance payments are being made, Mr. Campbell shall remain entitled to any benefits subject only to the terms of any benefit plans. In addition to the severance payment, the Corporation shall pay Mr. Campbell Base Salary accrued to the date of termination and any other amounts relating to accrued Annual Bonus, expense reimbursement and benefits which have accrued but not yet been paid prior to the date of termination.

**Termination for Death:** In the event of Mr. Campbell’s death, the Corporation shall pay his estate Base Salary accrued to the date of termination and any other amounts relating to accrued Annual Bonus, expense reimbursement and benefits which have accrued but not yet been paid prior to the date of termination.

**Termination by Mr. Campbell:** The employment agreement may be terminated for any reason by Mr. Campbell on three months’ written notice to the Corporation. The Corporation has no obligation to Mr. Campbell after the effective date of such termination except for payment of any Base Salary accrued to the date of termination and any other amounts relating to accrued Annual Bonus, expense reimbursement and benefits which have accrued but not yet been paid prior to the date of termination.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Mr. Campbell entered into a Non-Disclosure, Non-Solicitation and Non-Competition Agreement with the Corporation as of November 17, 2015. Mr. Campbell acknowledges and agrees that the employment relationship will be governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, Mr. Campbell agrees to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation's policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

#### Stephen Rotz

Stephen Rotz and the Corporation entered into an employment agreement effective January 20, 2020 (the “**Rotz Agreement**”) which provides that Rotz will act as Chief Financial Officer of the Corporation.

**Base Salary:** The Rotz Agreement provides that Mr. Michaud is entitled to a base salary (the “**Base Salary**”) of \$250,000 annually together with a discretionary bonus, participation in the Corporation’s Stock Option Plan and reimbursement of approved expenses.

**Bonus:** Mr. Rotz is also eligible for a discretionary bonus (the “**Annual Bonus**”) for each year of Rotz’s employment in an amount of up to 100% of the Base Salary. The basis for the Annual Bonus is reviewed annually by the Compensation Committee who shall make recommendations to the Board, including

establishing baseline and stretch targets based on achieving a number of targets using a balanced scorecard methodology. No bonus was paid for the fiscal year ending March 31, 2020.

**Stock Options:** Rotz was granted options to acquire Common Shares in the capital of the Corporation pursuant to the terms and conditions of the Stock Option Plan.

**Benefits:** Rotz will be reimbursed by the Corporation for all expenses reasonably and properly incurred by him on behalf of the Corporation, provided that they are reported to the Corporation in a timely and appropriate manner. Rotz is entitled to an automobile allowance of \$1,200.00 per month, and corporate benefits, including life insurance, accidental death and dismemberment insurance equal to the life insurance amount and dependent life insurance as well as participation in the Corporation's medical and dental benefits plan with an additional provision for an annual payment of up to \$5,000 for any medical or dental expenses not covered by the Corporation's plan. The Corporation may also pay Rotz's annual professional dues and professional course requirements.

**Termination With Cause:** The Corporation is entitled, in its sole discretion, to terminate the employment of Rotz, without notice or payment in lieu of notice, for cause. The Corporation has no obligation Rotz after the effective date of termination except for payment of any Base Salary accrued to the date of termination and any other amounts which have accrued but not yet been paid in accordance with any benefit plan prior to the date of termination. Rotz is not entitled to receive any bonus in the event of termination with cause.

**Termination Without Cause:** The Corporation is entitled in its sole discretion to terminate the Rotz Agreement without legal cause upon six months' worth of base salary and performance incentive payment if employment is terminated within the first two years of the date Rotz began employment with the Corporation. After two years of employment with the Corporation, the Corporation is entitled in its sole discretion to terminate the Rotz Agreement without legal cause upon twelve months' worth of base salary and performance incentive payment. Any salary paid in lieu of notice may be paid by lump sum or payable on the regular payroll dates during the notice period. Furthermore, all amounts and unused vacation pay, which have accrued to the date of termination, will be paid and Rotz's benefits will continue during the six-month or twelve-month period.

**Termination by Rotz:** The Rotz Agreement may be terminated for any reason by Rotz with twelve weeks' written notice to the Corporation.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Rotz acknowledges and agrees that the employment relationship will be governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, Rotz agrees to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation's policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

#### Scott Goodman

Scott Goodman and the Corporation entered into an employment agreement dated September 24, 2018 (the "**Goodman Agreement**") which provides that Goodman will act as Chief People and Legal Officer of the Corporation.

**Base Salary:** The Goodman Agreement provides that Goodman is entitled to a base salary (the "**Base Salary**") of \$250,000 annually together with a discretionary bonus, participation in the Corporation's Stock Option Plan and reimbursement of approved expenses.

**Bonus:** Goodman is also eligible for a discretionary bonus (the “**Annual Bonus**”) for each year of Goodman’s employment in an amount of up to 100% of the Base Salary. The basis for the Annual Bonus is reviewed annually by the Chief Executive Officer who shall make recommendations to the Compensation Committee of the Board, including establishing baseline and stretch targets based on achieving a number of targets using a balanced scorecard methodology. Subject to Goodman’s employment agreement he was not eligible to receive a bonus for the fiscal year 2019 and no bonus was paid for the fiscal year ending March 31, 2020.

**Stock Options:** Goodman was granted options to acquire Common Shares in the capital of the Corporation pursuant to the terms and conditions of the Stock Option Plan.

**Benefits:** Goodman will be reimbursed by the Corporation for all expenses reasonably and properly incurred by him on behalf of the Corporation, provided that they are reported to the Corporation in a timely and appropriate manner. Goodman is entitled to an automobile allowance of \$1,200.00 per month, and corporate benefits, including life insurance, accidental death and dismemberment insurance equal to the life insurance amount and dependent life insurance as well as participation in the Corporation’s medical and dental benefits plan with an additional provision for an annual payment of up to \$5,000 for any medical or dental expenses not covered by the Corporation’s plan. The Corporation may also pay Goodman’s annual professional dues and professional course requirements.

**Termination With Cause:** The Corporation is entitled, in its sole discretion, to terminate the employment of Goodman, without notice or payment in lieu of notice, for cause. The Corporation has no obligation to Goodman after the effective date of termination except for payment of any Base Salary accrued to the date of termination and any other amounts which have accrued but not yet been paid in accordance with any benefit plan prior to the date of termination. Goodman is not entitled to receive any bonus in the event of termination with cause.

**Termination Without Cause:** The Corporation is entitled in its sole discretion to terminate the Goodman Agreement without legal cause upon twelve months’ worth of base salary and performance incentive payment. Any salary paid in lieu of notice may be paid by lump sum or payable on the regular payroll dates during the notice period. Furthermore, all amounts and unused vacation pay, which have accrued to the date of termination, will be paid and Goodman’s benefits will continue during the twelve-month period.

**Termination by Goodman:** The Goodman Agreement may be terminated for any reason by Goodman with reasonable written notice to the Corporation.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Goodman acknowledges and agrees that the employment relationship will be governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, Goodman agrees to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation's policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

#### Han Koren

Han Koren and Logixx Security Inc. entered into an employment agreement dated November 11, 2019 (the “**Koren Agreement**”) which provides that Koren will act as President of Logixx Security Inc a wholly owned subsidiary of the Corporation, effective December 2, 2019

**Base Salary:** The Koren Agreement provides that Koren is entitled to a base salary (the “**Base Salary**”) of \$235,000 annually together with a discretionary bonus, participation in the Corporation’s Stock Option Plan and reimbursement of approved expenses.

**Bonus:** Koren is also eligible for a discretionary bonus (the “**Annual Bonus**”) for each year of Koren’s employment in an amount of up to 50% of the Base Salary. The basis for the Annual Bonus is reviewed annually by the Chief Executive Officer of the Corporation who shall make recommendations to the Compensation Committee of the Board, including establishing baseline and stretch targets based on achieving a number of targets using a balanced scorecard methodology. No bonus was paid for the fiscal year 2020.

**Stock Options:** Koren was granted options to acquire Common Shares in the capital of the Corporation pursuant to the terms and conditions of the Stock Option Plan.

**Benefits:** Koren will be reimbursed by Logixx Security Inc. for all expenses reasonably and properly incurred by him on behalf of the Corporation or Logixx Security Inc., provided that they are reported to the Corporation in a timely and appropriate manner. Koren is entitled to an automobile allowance of \$1,000.00 per month, and corporate benefits, including life insurance, accidental death and dismemberment insurance equal to the life insurance amount and dependent life insurance as well as participation in the Corporation’s medical and dental benefits plan with an additional provision for an annual payment of up to \$5,000 for any medical or dental expenses not covered by the Corporation’s plan. The Corporation may also pay Koren’s annual professional dues and professional course requirements.

**Termination With Cause:** Either or both the Corporation and Logixx Security Inc. is entitled, in their sole discretion, to terminate the employment of Koren, without notice or payment in lieu of notice, for cause. The Corporation and Logixx Security Inc. has no obligation to Koren after the effective date of termination except for payment of any Base Salary accrued to the date of termination and any other amounts which have accrued but not yet been paid in accordance with any benefit plan prior to the date of termination. Koren is not entitled to receive any bonus in the event of termination with cause.

**Termination Without Cause:** Either or both the Corporation and Logixx Security Inc is entitled in its sole discretion to terminate the Koren Agreement without legal cause upon twelve months’ worth of base salary and performance incentive payment. Any salary paid in lieu of notice may be paid by lump sum or payable on the regular payroll dates during the notice period. Furthermore, all amounts and unused vacation pay, which have accrued to the date of termination, will be paid and Koren’s benefits will continue during the twelve-month period.

**Termination by Koren:** The Koren Agreement may be terminated for any reason by Koren with eight weeks’ written notice to the Corporation.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Koren acknowledges and agrees that the employment relationship will be governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, Koren agrees to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation's policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

Geoff Reed

Geoff Reed and Avante Security Inc. entered into an employment agreement on July 5, 2019 (the “**Reed Agreement**”) which provides that Reed will act as President of Avante Security Inc., which is a wholly owned subsidiary of the Corporation.

**Base Salary:** The Reed Agreement provides that Reed is entitled to a base salary (the “**Base Salary**”) of \$190,000 annually together with a discretionary bonus and reimbursement of approved expenses.

**Bonus:** Reed is also eligible for a discretionary bonus (the “**Annual Bonus**”) for each year of Reed’s employment in an amount of up to 50% of the Base Salary. The basis for the Annual Bonus is reviewed annually by the Chief Executive Officer of the Corporation who shall make recommendations to the Compensation Committee of the Board, including establishing baseline and stretch targets based on achieving a number of targets using a balanced scorecard methodology. No bonus was paid for the fiscal year 2020.

**Benefits:** Reed will be reimbursed by Avante Security Inc. for all expenses reasonably and properly incurred by him on behalf of the Corporation or Avante Security Inc., provided that they are reported to the Corporation in a timely and appropriate manner. Reed is entitled to an automobile allowance of \$1,000.00 per month, and corporate benefits, including life insurance, accidental death and dismemberment insurance equal to the life insurance amount and dependent life insurance as well as participation in the Corporation’s medical and dental benefits plan with an additional provision for an annual payment of up to \$5,000 for any medical or dental expenses not covered by the Corporation’s plan. The Corporation may also pay Reed’s annual professional dues and professional course requirements.

**Termination With Cause:** Either or both the Corporation and Avante Security Inc. is entitled, in its sole discretion, to terminate the employment of Reed, without notice or payment in lieu of notice, for cause. The Corporation has no obligation to Reed after the effective date of termination except for payment of any Base Salary accrued to the date of termination and any other amounts which have accrued but not yet been paid in accordance with any benefit plan prior to the date of termination. Reed is not entitled to receive any bonus in the event of termination with cause.

**Termination Without Cause:** Either or both the Corporation and Avante Security Inc. is entitled in its sole discretion to terminate the Reed Agreement without legal cause upon common law notice or pay in lieu thereof. Any salary paid in lieu of notice may be paid by lump sum or payable on the regular payroll dates during the notice period. Furthermore, all amounts and unused vacation pay, which have accrued to the date of termination, will be paid and Reed’s benefits will continue during the notice period.

**Termination by Reed:** The Reed Agreement may be terminated for any reason by Reed with reasonable written notice to the Corporation.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Reed acknowledges and agrees that the employment relationship will be governed by standards and terms established by the Corporation’s policies as they are amended from time to time. Further, Reed agrees to comply with the terms of the Corporation’s current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation’s policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

Francis Michaud

Francis Michaud and the Corporation entered into an employment agreement dated November 1, 2018 (the “**Michaud Agreement**”) which provided that Mr. Michaud would act as Senior Vice-President of Finance and Interim Chief Financial Officer of the Corporation.

**Base Salary:** The Michaud Agreement provided that Mr. Michaud was entitled to a base salary (the “**Base Salary**”) of \$200,000 annually together with a discretionary bonus, participation in the Corporation’s Stock Option Plan and reimbursement of approved expenses.

**Bonus:** Mr. Michaud was also eligible for a discretionary bonus (the “**Annual Bonus**”) for each year of Mr. Michaud's employment in an amount of up to 40% of the Base Salary based on the achievement of agreed corporate objectives. The Annual Bonus was based on criteria approved by the Board, and relayed to Mr. Michaud, which criteria shall reflect the annual corporate goals of the Corporation and the role of Mr. Michaud in attaining such goals.

**Stock Options:** Mr. Michaud was granted options to acquire Common Shares in the capital of the Corporation pursuant to the terms and conditions of the Stock Option Plan.

**Benefits:** Michaud was reimbursed by the Corporation for all expenses reasonably and properly incurred by him on behalf of the Corporation, provided that they were reported to the Corporation in a timely and appropriate manner. The Corporation also paid Mr. Michaud’s annual professional dues and professional course requirements. Furthermore, Mr. Michaud was entitled to employee benefits for executive-level employees.

**Termination With Cause:** The Corporation was entitled, in its sole discretion, to terminate the employment of Mr. Michaud, without notice or payment in lieu of notice, for cause. The Corporation has no obligation to Mr. Michaud after the effective date of termination except for payment of any Base Salary accrued to the date of termination and any other amounts which have accrued but not yet been paid in accordance with any benefit plan prior to the date of termination. Mr. Michaud was not entitled to receive any bonus in the event of termination with cause.

**Termination Without Cause:** The Corporation was entitled in its sole discretion to terminate the Michaud Agreement without legal cause upon twelve months’ worth of base salary and performance incentive payment. Any salary paid in lieu of notice may have been paid by lump sum or payable on the regular payroll dates during the notice period. Furthermore, all amounts and unused vacation pay which accrued to the date of termination, were paid and Mr. Michaud’s benefits are continued during the twelve-month notice period.

**Termination by Mr. Michaud:** The Michaud Agreement was terminated by Mr. Michaud with reasonable written notice to the Corporation.

**Non-Disclosure, Non-Solicitation and Non-Competition Agreement:** Mr. Michaud acknowledges and agrees that the employment relationship was governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, Mr. Michaud agreed to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the employment agreement. In the event the Corporation's policies or procedures are in conflict with the employment agreement, the terms of the employment agreement would prevail.

Illyria Inc. Consulting Agreement

Illyria Inc. (“**Illyria**”), a company controlled by Leland Verner, the Chairperson and a Director, and the Corporation entered into a consulting agreement made as of November 17, 2015 with effect as of January 1, 2016 pursuant to which Illyria was retained to provide certain consulting services including in respect of: (i) advising the CEO on ongoing structure, strategy and personnel decisions; (ii) aiding in the sourcing and execution of acquisitions; and (iii) developing and fostering strategic client business relationships. On March 31, 2019 it was agreed to terminate the consulting agreement with Illyria Inc. with final payment on September 1, 2019.

Pursuant to the consulting agreement, Illyria was paid a basic fee commencing January 1, 2016 in the amount of \$74,000 per annum payable in equal monthly installments within 15 days from the date of invoice together with applicable HST. Effective December 1, 2015, Illyria was being paid an additional \$2,000 per month up to and including December 31, 2016, which additional payment was to cease unless extended at the discretion of the Board. The additional payment was extended for a further one-year period until December 31, 2017. Illyria was entitled to reimbursement for all reasonable expenses actually and properly incurred by the Consultant in the course of the performance of services, subject to submission of invoices to the Corporation and the prior written approval of such expenses by the CEO if that expense was over \$200. The terms of the consulting agreement also provide that Leland Verner was to be provided with a smartphone and that the Corporation shall pay for the monthly service costs. Leland Verner was entitled to participate in the Corporation’s benefit plan but an amount of \$333.33 per month was deducted from the basic fee.

Illyria was entitled to terminate its engagement with the Corporation at any time by providing three months’ notice in writing to the Corporation, and the Corporation was entitled terminate the engagement of Illyria at any time by providing six months’ notice in writing to Illyria.

Illyria and Mr. Verner entered into a Non-Disclosure, Non-Solicitation and Non-Competition Agreement with the Corporation as of November 17, 2015. Each of Illyria and Mr. Verner acknowledged and agreed that the contractor relationship will be governed by standards and terms established by the Corporation's policies as they are amended from time to time. Further, each of Illyria and Mr. Verner agreed to comply with the terms of the Corporation's current and future policies as long as they are not inconsistent with the provisions of the consulting agreement. In the event the Corporation's policies or procedures are in conflict with the consulting agreement, the terms of the consulting agreement would prevail.

## **ARTICLE 6– STOCK OPTION PLAN**

### **6.1 Stock Option Plan**

The Corporation has a 10% rolling stock option plan (the “**Plan**”), under which the aggregate number of Common Shares issuable pursuant to the exercise of outstanding stock options granted under or subject to the Plan at any one time may not exceed 10% of the issued and outstanding shares of the Corporation as of that date, including shares issued as a result of the exercise of options. The Plan provides an incentive to the directors, management, employees and consultants of the Corporation to act in the best interests of the Corporation and contribute to the future growth and success of the Corporation.

The principal features of the Plan are as follows:

- (a) Eligible participants include consultants, directors, employees, management company employees, members of management and certain other persons who provide services to the Corporation or its affiliates (“**Eligible Participants**”).

- (b) The aggregate number of Common Shares which may be issuable under the Plan and all of the Corporation's other previously established or proposed share compensation arrangements within a one-year period is limited under the Plan, as follows:
- (i) no more than 5% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis to any one optionee; and
  - (ii) no more than 2% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis to consultants and persons undertaking investor relations activities.
- (c) The exercise price for an option shall be determined from time to time by the Board but, in any event, shall not be lower than the discounted market price (as defined by the TSX Venture Exchange) of the Common Shares on the day prior to the grant.
- (d) The term for each option shall be set by the Board at the time of issue of the option and shall not be greater than a period of ten years after the grant date.
- (e) The Board may, at its discretion, determine when any option will become exercisable and may also establish any vesting schedule relative to any options granted, provided that schedule is not shorter than any time period prescribed by the TSX Venture Exchange.
- (f) Under the Plan, if an optionee ceases to be an Eligible Participant, his, her or its option shall be exercisable as follows:
- (i) if the optionee ceases to be an Eligible Participant, due to his or her death, any vested option held by him or her at the date of death shall be exercisable if the option was issued 10 days or more prior to the date of death only by the persons or persons to whom the optionee's rights under the option shall pass by the optionee's will or the laws of descent and distribution at any time up to but not after the earlier of: (a) one year after the date of death; and (b) the expiry date of such option;
  - (ii) if the optionee ceases to be an Eligible Participant as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the optionee is employed, any outstanding option held by such optionee on the date of termination shall be cancelled as of that date;
  - (iii) if the optionee ceases to be an Eligible Participant for any reason other than termination for cause or death, any vested option held by such optionee may be exercised within a reasonable period of time (not to exceed one year) following the date on which such optionee ceases to be an Eligible Participant, provided that such date is no later than the expiration of the applicable option term; or
  - (iv) if an optionee who is a consultant of the Corporation or its affiliates ceases to be retained by the Corporation by virtue of a breach of the consulting agreement or the expiry thereof, or such retainer is otherwise terminated (other than for reasons above), no option held by such consultant may be exercised following such breach, expiry or termination.
- (g) No optionee may assign any of his, her or its rights under the Plan or any option granted thereunder, except as expressly permitted under the terms of the Plan.

- (h) The Plan permits the Board to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. However, disinterested shareholder approval will be required for changes to the Plan that: (a) reduce the exercise price of any outstanding options if the Eligible Participant is an insider of the Corporation (as that term is defined by the TSX Venture Exchange) at the time of the proposed amendment; or (b) increase the aggregate number of Common Shares available for issuance under the Plan to any one person.
- (i) In the event the expiry or termination of an option occurs during or within ten (10) business days of a blackout period, the option shall remain exercisable for a period of ten (10) business days from the end of the blackout period.
- (j) The Plan provides additional powers to the Board with respect to the withholding of tax and other required deductions in connection with the exercise of an option.

The Plan does not specify a fixed and specific maximum number of Common Shares that may be reserved for issuance thereunder. Rather, the Plan is considered to be a ‘rolling’ stock option plan by the TSX Venture Exchange in that the aggregate number of Common Shares issuable pursuant to the exercise of outstanding stock options granted under or subject to the Plan at any one time may not exceed 10% of the issued and outstanding shares of the Corporation from time to time. The policies of the TSX Venture Exchange require that a ‘rolling’ stock option plan receive yearly shareholder ratification at a company’s annual general meeting. The Plan was ratified at the Corporation’s last annual general meeting held on September 18, 2019 and it is required to be ratified at the Meeting.

#### **ARTICLE 7 - SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following chart details the number of securities to be issued upon the exercise of outstanding stock options issued under the Stock Option Plan as at March 31, 2019. The Corporation does not have any other equity compensation plan.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted – average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	1,670,333	\$1.97	348,886
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	<b>1,670,333</b>	<b>\$2.02</b>	<b>448,886</b>

**NOTE:**

- The Corporation’s 10% rolling Stock Option Plan was ratified at the Corporation’s last annual general meeting held on September 18, 2019 and it is required to be ratified at the Meeting. See Article 5 “Stock Option Plan” above.

The following table sets forth all options held by Director and Named Executive Officers by the Corporation in the financial year ended March 31, 2020:

<i>Compensation Securities</i>							
<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Craig Campbell <sup>(1)</sup> Chief Executive Officer of the Corporation and Director	Options	200,000	January 10, 2018	\$1.65	\$1.50	\$0.81	January 10, 2023
		200,000	January 10, 2018	\$1.90	\$1.50	\$0.81	January 10, 2023
		200,000	January 10, 2018	\$2.20	\$1.50	\$0.81	January 10, 2023
		200,000	January 10, 2018	\$2.55	\$1.50	\$0.81	January 10, 2023
Stephen Rotz Chief Financial Officer	Options	200,000	January 20, 2020	\$1.55	\$1.55	\$0.81	January 20, 2025
Scott Goodman Chief People and Legal Affairs Officer	Options	200,000	October 2, 2018	\$2.25	\$2.25	\$0.81	October 2, 2023
Francis Michaud Chief Financial Officer	Options	100,000	November 5, 2018	\$2.20	\$2.20	\$0.81	November 5, 2023
Andrew Coles Director	Options	15,000	April 4, 2018	\$1.85	\$1.80	\$0.81	April 4, 2023
Joseph Leede Director	Options	15,000	November 17, 2015	\$1.80	\$1.30	\$0.81	November 17, 2020
		15,000	September 6, 2016	\$1.30	\$1.30	\$0.81	September 6, 2021
		15,000	October 30, 2017	\$1.30	\$1.30	\$0.81	October 30, 2022
Han Korren President, Logixx Security Inc.	Options	50,000	December 2, 2019	\$1.55	\$1.50	\$0.81	December 2, 2024

**NOTES:**

1. Craig Campbell's time-based options vest as follows: i) first tranche of 200,000 options with exercise price of \$1.65 per Common Share vest at the first anniversary following the grant date; ii) second tranche of 200,000 options with exercise price of \$1.90 per Common Share vest at the second anniversary following the grant date; iii) third tranche of 200,000 options with exercise price of \$2.20 per Common Share vest at the third anniversary following the grant date; iv) fourth tranche of 200,000 options with exercise price of \$2.55 per Common Share vest at the fourth anniversary following the grant date. Mr. Campbell also holds 215,000 shares and controls 13,630,500 in his capacity as the owner of Resilience Capital Partners GP Inc., the general partner

**ARTICLE 8 - INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former directors, employees or executive officers of the Corporation or any associate of any such persons were indebted to the Corporation as at March 31, 2020.

None of the current or former directors, employees or executive officers of the Corporation or any of its subsidiaries and none of the associates of such persons is or has been indebted to the Corporation or any subsidiary thereof at any time since the beginning of the Corporation's most recently completed fiscal year. Furthermore, none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary thereof.

## **ARTICLE 9 - INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as may be provided below or elsewhere in this Management Information Circular, no “informed person” (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction with the Corporation since the commencement of the Corporation’s most recently completed fiscal year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **ARTICLE 10 - AUDITED FINANCIAL STATEMENTS**

The financial statements for the fiscal year ended March 31, 2020, together with the auditors' report thereon will be submitted to the Meeting. Receipt at the Meeting of the auditors' report and the Corporation's financial statements for its last completed financial year will not constitute approval or disapproval of any matters referred to therein.

## **ARTICLE 11 - DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE**

The Corporation provides insurance for the directors and officers of the Corporation against liability incurred by them in their capacity as directors or officers of the Corporation. The total limit of \$20,000,000 protects the personal liability of the directors and officers as well insurance to reimburse the Corporation for its indemnification. Each loss for which the Corporation seeks reimbursement is subject to a \$50,000 deductible payable by the Corporation (\$50,000 deductible for securities claims). Also, within the \$20,000,000 is a \$5,000,000 Side A Excess DIC coverage, which is reserved strictly for liability claims against directors and officer as a result of a non-indemnification by the Corporation. The total annual premium before taxes for the directors and officers liability policies is \$37,190, which is paid in full by the Corporation.

## **ARTICLE 12 - TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Corporation is TSX Trust Company, 100 Adelaide Street West, 3<sup>rd</sup> Floor, Toronto, Ontario M5H 4H1.

## **ARTICLE 13 - INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **ARTICLE 14 - OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the Meeting other than as set forth in this Management Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

**ARTICLE 15 - ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, the holders of Common Shares may contact the Corporation at 130 Bloor Street, Suite 601, Toronto, Ontario M5S 1N5 in order to obtain, without charge, copies of the Annual Financial Statements and Annual MD&A of the Corporation for the fiscal year ending March 31, 2020 and the Notice of Meeting and this Management Information Circular. Financial information about the Corporation is provided in the Annual Financial Statements and Annual MD&A for the most recently completed financial year.

**ARTICLE 16 - RECORD DATE**

Persons who are registered as holders of Common Shares on the books of the Corporation at the close of business on the Record Date or persons who are transferees of Common Shares of the Corporation acquired on or after the Record Date, and who produce properly endorsed certificates for such shares or otherwise establish ownership thereof and demand not later than ten days before the Meeting that the Secretary of the Corporation include their names on the list of shareholders are entitled to vote at the Meeting.

**ARTICLE 17 - APPROVAL OF BOARD**

Except where otherwise indicated, information contained herein is given as of August 5, 2020.

The undersigned hereby certifies that the contents and the sending of this Management Information Circular have been approved by the directors of the Corporation.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of Avante Logixx Inc.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it is made.

DATED as of the 5th day of August 2020.

*"Craig Campbell"*

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Craig Campbell  
Chief Executive Officer  
Avante Logixx Inc.

**SCHEDULE “A”**

**AUDIT COMMITTEE CHARTER**

**AVANTE LOGIXX INC.**

(the “**Corporation**”)

(Implemented pursuant to Multilateral Instrument 52-110)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for Ontario reporting companies effective March 30, 2004 and, accordingly, applies to every TSX Venture Exchange Inc. listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee Charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument. This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**ARTICLE 1 - ROLE AND OBJECTIVES**

1.1 Role

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of the Corporation established for the purpose of overseeing the accounting and financial reporting process of the Corporation and external audits of the financial statement of the Corporation.

1.2 Objectives

The Committee will assist the Board in fulfilling its oversight responsibilities for:

- (a) the financial reporting process;
- (b) the system of internal control over financial reporting;
- (c) the audit process;
- (d) compliance with legal and regulatory requirements; and
- (e) the processes for identifying, evaluating and managing the Corporation’s principal risks impacting financial reporting.

**ARTICLE 2 - DUTIES, POWERS AND RESPONSIBILITIES**

2.1 Duties, Powers, and Responsibilities

The Audit Committee is hereby delegated the duties and powers specified in section 158 of the *Business Corporations Act* (Ontario) and, without limiting these duties and powers, the Audit Committee shall:

(a) Financial Reporting

- (i) Review and recommend for approval to the Board the annual financial statements, accounting policies that affect the statements, annual MD&A and associated press release.
- (ii) Review the annual report for consistency with the financial disclosure referenced in the annual financial statements.
- (iii) Be satisfied as to the adequacy of procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from annual or quarterly financial statements and periodically assess the adequacy of such procedures.
- (iv) Review and approve quarterly financial statements, accounting policies that affect the statements, the quarterly MD&A, and the associated press release.
- (v) Review significant issues affecting financial reports.
- (vi) Review emerging GAAP developments that could affect the Corporation.
- (vii) Understand how management develops interim financial information and the nature and extent of external audit involvement.
- (viii) In review of the annual and quarterly financial statements, discuss the quality of the Corporation's accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.
- (ix) Review and approve any earnings guidance to be provided by the Corporation.

(b) Internal and Disclosure Controls

- (i) Consider the effectiveness of the Corporation's internal controls over financial reporting and related information technology security and control.
- (ii) Review and approve corporate signing authorities and modifications thereto.
- (iii) Review with the auditors any issues or concerns related to any internal control systems in the process of the audit.
- (iv) Review the plan and scope of the annual audit with respect to planned reliance and testing of controls and major points contained in the auditor's management letter resulting from control evaluation and testing.
- (v) Establish and maintain complaint procedures regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding

questionable accounting or auditing matters. Such procedures are appended hereto as Appendix A.

- (vi) Review with management, external auditors and legal counsel any material litigation claims or other contingencies, including tax assessments, and adequacy of financial provisions, that could materially affect financial reporting.
  - (vii) Review with the Chief Executive Officer and the Chief Financial Officer the Corporation's disclosure controls and procedures, including any significant deficiencies in, or material noncompliance with, such controls and procedures.
  - (viii) Discuss with the Chief Executive Officer and the Chief Financial Officer all elements of certification required pursuant to National Policy 52-109.
  - (ix) Approve all material related party transactions in advance.
- (c) External Audit
- (i) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
  - (ii) Review and approve the audit plans, scope and proposed audit fees.
  - (iii) Annually review the independence of the external auditors by receiving a report from the independent auditor detailing all relationships between them and the Corporation.
  - (iv) Discuss with the auditors the results of the audit, any changes in accounting policies or practices and their impact on the financials, as well as any items that might significantly impact financial results.
  - (v) Receive a report from the auditors on critical accounting policies and practices to be used, all alternative treatments of financial information within GAAP that have been discussed with management, including the ramifications of the use of such alternative treatments, and the treatment preferred by the auditor.
  - (vi) Receive an annual report from the auditors describing the audit firm's internal quality-control procedures, and material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more audits carried out the firm, and any steps taken to deal with any such issues.
  - (vii) Ensure regular rotation of the lead partner and reviewing partner.

- (viii) Evaluate the performance of the external auditor and the lead partner annually.
- (ix) Recommend to the Board (A) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and (B) the compensation of the external auditor.
- (x) Separately meet with the auditors, apart from management, at least once a year.
- (d) Non-Audit Services
  - (i) Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditor. Pre-approval may be granted by any one member of the Audit Committee.
- (e) Risk Management
  - (i) Review and monitor the processes in place to identify and manage the principal risks that could impact the financial reporting of the Corporation.
  - (ii) Ensure that Directors and Officers insurance is in place.
  - (iii) Review and approve corporate investment policies.
  - (iv) Assess, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.
- (f) Other Responsibilities and Matters
  - (i) Report through its Chair to the Board following meetings of the Audit Committee.
  - (ii) Review annually the adequacy of the Charter and confirm that all responsibilities have been carried out.
  - (iii) Evaluate the Audit Committee's and individual member's performance on a regular basis and report annually to the Board the result of its annual self-assessment.
  - (iv) Prepare annually a report for inclusion in the proxy statement.
  - (v) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
  - (vi) Discuss the Corporation's compliance with tax and financial reporting laws and regulation, if and when issues arise.

## 2.2 Authority

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors employed by the Audit Committee at the cost of the Corporation without obtaining Board approval, based on its sole judgment and discretion. The Audit Committee has the authority to communicate directly with the internal and external auditors of the Corporation.

## **ARTICLE 3 - COMPOSITION**

### 3.1 Composition

The Committee shall comprise at least three directors, none of whom shall be an officer or employee of the Corporation or any of its subsidiaries or any affiliate thereof. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, each member of the Committee shall have no direct or indirect material relationship with the Corporation or any affiliate thereof, which could reasonably interfere with the exercise of the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

### 3.2 Appointment

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation.

### 3.3 Chair

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy the independence, financial literacy and experience requirements (as described above).

### 3.4 Access

The Committee shall have access to such officers and employees of the Corporation and all subsidiaries and to such information respecting the Corporation and the subsidiaries, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

## **ARTICLE 4 - MEETINGS**

### 4.1 Time and Location

The Committee shall meet at least quarterly at such times and at such locations as the Chair of the Committee shall determine. Any member of the Committee may also request a meeting of the Committee.

### 4.2 Quorum

The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

### 4.3 Agenda

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with

sufficient time for study prior to the meeting.

4.4 Majority Vote

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

4.5 Management

The Chief Financial Officer shall attend meetings of the Committee, unless otherwise excused from all or part of any such meetings by the Committee Chair. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at every meeting.

4.6 Minutes

A member of the Committee or the Secretary of the Corporation shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

4.7 Summary of Meetings

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request of the Chair.

4.8 External Auditor

The Committee shall meet periodically with the Corporation's external auditor (in connection with the preparation of the annual financial statements and otherwise as the Committee may determine), part or all of each such meeting to be in the absence of management.

**Appendix A**  
**to Avante Logixx Inc. Audit Committee Charter**

**Whistleblower Policy**

Procedures for the Submission of Complaints or Concerns Regarding Accounting, Internal Accounting Controls, Auditing Matters and Inappropriate or Unethical Conduct

**Purpose**

The purpose of this policy is to provide a mechanism for reporting unlawful or unethical conduct regarding accounting and auditing matters. It may also be used to report other inappropriate or unethical conduct.

**Eligibility/Coverage**

This policy applies to all full time and part time employees, consultants and contractors of Avante Logixx Inc. (together with its subsidiaries, the “Corporation”).

**Policy**

The Corporation endeavors to comply with all applicable laws, regulations and rules. All employees are responsible for ensuring that the Corporation achieves that objective. Any deviation from such laws, regulations or rules is serious misconduct and may result in discipline, up to and including termination of employment. Such deviations may also subject the person(s) responsible to personal legal and financial liability, and in certain cases may be criminal offenses.

To assist the Corporation in ensuring compliance with laws, regulations and rules relating to accounting and auditing matters, the Audit Committee of the Board of Directors (the “Committee”) has established these procedures for:

(1) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and

(2) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters. These can include any of the following activities:

- questionable accounting practices;
- inadequate internal accounting controls;
- the misleading or coercion of auditors;
- disclosure of fraudulent or misleading financial information; and
- instances of corporate fraud

Employees are encouraged to report concerns regarding accounting or auditing practices in a form that is as clear and specific as possible under the circumstances, and should submit relevant records, if available. However, employees are neither required nor encouraged to personally investigate questionable accounting or auditing practices on their own; such a private investigation might compromise the Corporation’s own investigation, result in the loss or tainting of evidence, or otherwise prevent a full and fair investigation into the underlying facts.

These procedures apply only to complaints regarding accounting, internal accounting controls, or auditing matters and do not apply with respect to any other grievance or complaint. For example, complaints of

violation of our policies regarding bullying, harassment, compensation or discrimination should be reported and handled in accordance with the applicable procedures and guidelines of the Corporation.

#### Submission of Confidential and Anonymous Concerns by Employees

In an effort to foster an environment where employees feel free to voice their concerns regarding questionable accounting or auditing matters, the following procedures are designed to allow concerns and information to be submitted confidentially and anonymously. Any employee who believes that he or she possesses any information

relating to questionable accounting or auditing matters or other concerns of an ethical nature should report such concerns to the Chairperson of the Audit Committee in writing in a sealed envelope at:

Joseph Leeder, Chairperson of the Audit Committee

1959 Leslie Street

Toronto, ON M3B 2M3

The envelope is to be clearly marked, "To be opened by the Audit Committee only". Please be advised that any complaint that has been filed with respect to any Employee, Contractor, Executive or Board Member of the Corporation will be reviewed in confidence without fear of reprisal, except as necessary to conduct the investigation and take any remedial action and subject to applicable law.

Additional contact information including a phone number and e-mail address shall be published for the Chair of the Committee on the Corporation's website. Anonymous written or telephone communications will be accepted.

Employees of the Corporation are encouraged to provide as much specific information as possible including names, dates, places and events that took place, the employee's or consultant's perception of why the incident(s) may be a violation, and what action the employee or consultant recommends be taken.

Within 10 business days following the receipt of any information by the Chair pursuant to this Appendix, the Committee shall review and consider any such complaints or concerns and take any action that it deems appropriate in the circumstances.

The Committee shall retain any such complaints or concerns along with the material gathered to support its actions for a period of no less than seven years. Such records will be held on behalf of the Committee by the Committee Secretary.

Any questions regarding this Whistleblower Policy shall be directed to the Chair of the Audit Committee.

**SCHEDULE “B”**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

**AVANTE LOGIXX INC.**

(the “Corporation”)

**ARTICLE 1 - ROLE AND MEMBERSHIP**

**1.1 Role**

The Corporate Governance and Nominating Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of the Corporation. Its purpose is to carry out the responsibilities delegated by the Board relating to the Corporation’s director and officer nominations process and procedures and developing and maintaining the Corporation’s corporate governance policies.

**1.2 Composition**

The Committee shall be comprised of at least three directors, at least one of which shall be independent. Each independent Committee member shall satisfy the independence requirements set out by Section 1.4 of National Instrument 52-110 – *Audit Committees*.

**1.3 Appointment**

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation.

The members of the Committee shall be appointed by the Board based on the recommendations from the Chairperson of the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

If a vacancy exists on the Committee for which the Board has not appointed a replacement member, the remaining members shall exercise the Committee’s power so long as quorum exists.

**1.4 Chair**

The Chair of the Committee (the “Chair”) may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair shall be responsible for the overall leaders of the Committee including:

- (a) setting an agenda for all meetings of the Committee based on consultation with members of the Committee, the Board and management, as appropriate;
- (b) chairing committee meetings and fostering dialogue among members of the Committee;
- (c) adopting procedures so that the Committee can conduct business and function effectively;
- (d) making arrangements for management, outside advisors and other individuals to attend meetings, as appropriate, in order to assist the Committee to carry out its work;
- (e) ensuring members of the Committee are familiar with their duties and obligations under this Charter;
- (f) promoting honest and ethical decision-making in all aspects of the Committee’s business;
- (g) ensuring decisions and actions taken at Committee meetings are reported to the Board; and
- (h) performing any other duties as directed by the Board.

**ARTICLE 2 - DUTIES AND RESPONSIBILITIES**

**2.1 Duties and Responsibilities**

The Committee shall have the following authority and responsibilities:

- (a) to determine the qualifications, qualities, skills and other expertise required to be a director of the Corporation and to develop and recommend to the Board for its approval criteria to be considered in selecting nominees for director (the “**Director Criteria**”);
  - (i) in developing Director Criteria the Committee should consider:
    - (A) the competencies and skills that the board as a whole should possess;
    - (B) the competencies and skills that each existing director possesses;
    - (C) the personality and other qualities of each director and how these impact boardroom dynamics; and
    - (D) the appropriate size of the board for facilitating effective decision making;
- (b) to identify and screen individuals qualified to become members of the Board, consistent with the Director Criteria;
  - (i) the Committee may consider any director candidates recommended by the Corporation’s shareholders pursuant to the procedures set forth in the Business Corporations Act (Ontario) and the Corporation’s by-laws and described in the Corporation’s management information circular;
- (c) to make recommendations to the Board regarding the selection and approval of the nominees for director to be submitted to a shareholder vote at the annual meeting of shareholders;
- (d) to develop and recommend to the Board a set of corporate governance principles and guidelines applicable to the Corporation, to review these principles at least once a year and to recommend any changes to the Board;
- (e) to oversee the Corporation’s corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Corporation’s corporate governance framework;
- (f) to review and discuss with management disclosure of the Corporation’s corporate governance practices, including information regarding the operations of the Committee and other Board committees, director independence and the director nominations process and to recommend that this disclosure be included in the Corporation’s management information circular;
- (g) to develop, subject to approval by the Board, a process for an annual assessment of effectiveness of the Board and its committees and to oversee the conduct of this annual assessment;
- (h) to review the Board’s committee structure and composition and to make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually;
- (i) if a vacancy on the Board and/or any Board committee occurs, to identify and make recommendations to the Board regarding the selection and approval of candidates to fill such vacancy either by election by shareholders or appointment by the Board;
- (j) to develop and oversee a Corporation orientation program for new directors and a continuing education program for current directors, periodically review these programs and update them as necessary;
- (k) to develop and recommend to the Board for approval director independence standards in addition to those required by applicable securities laws and stock exchange requirements and to evaluate the independence of each director at least annually;

- (l) to develop and recommend to the Board for approval a Corporation policy for the review and approval of any transactions or agreements in which a director or executive officer has a material interest (“**Conflict Transactions**”) and review, approve and oversee any Conflict Transaction on an ongoing basis in accordance with the Corporation’s approval policy for Conflict Transactions;
- (m) to develop and recommend to the Board for approval a Code of Business Conduct and Ethics (the “**Code**”), to investigate any alleged breach or violation of the Code, to enforce the provisions of the Code and to review the Code periodically and recommend any changes to the Board;
- (n) to develop and recommend to the Board for approval a CEO or officer succession plan (the “**Succession Plan**”), to review the Succession Plan periodically, develop and evaluate potential candidates for CEO or executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan;
- (o) to review any director resignation letter tendered and evaluate and recommend to the Board whether such resignation should be accepted in accordance with Corporation’s director majority voting policy set out in Corporation’s corporate governance guidelines or by-laws;
- (p) report to the Board on the activities of the Committee, including any decisions and actions taken by the Committee; and
- (q) perform any other activities as are consistent with the Charter, the Corporation’s by-laws, applicable legislation, guidelines and practices as the Committee or the Board deems necessary or appropriate for the fulfilment of the Committee’s duties and responsibilities.

## **2.2 Outside Advisors**

The Committee shall have the authority, in its sole discretion, to engage independent counsel and other advisors as it determines necessary to assist with the execution of its duties and responsibilities as set for in this Charter. The Committee shall set and pay the compensation for any advisor employed by the Committee at the cost of the Corporation without obtaining Board approval.

## **ARTICLE 3 - MEETINGS**

### **3.1 Time and Location**

The Committee shall meet at least three times a year at such times and places as it deems necessary to fulfill its responsibilities. A meeting of the Committee may be convened by the Board or any member of the Committee who requests a meeting. Notice of every meeting shall be given to each member of the Committee. At least 48 hours’ notice of a meeting is required, unless such notice is waived or shortened with the consent of all members of the Committee.

### **3.2 Quorum**

A quorum for decisions of the Committee shall be a majority of the Committee members, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

### **3.3 Agenda**

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared materials are circulated to the Committee with sufficient time for study prior to the meeting.

### **3.4 Majority Vote**

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

### **3.5 Management**

The Committee may invite such directors, officers and employees of the Corporation to its meetings as it deems appropriate to assist the Committee with the fulfilment of its duties and responsibilities. However, the Committee shall meet regularly without such members present.

**3.6 Minutes**

At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the “Secretary”). The Secretary shall circulate the minutes of meetings of the Committee to members of the Committee.

The Committee shall approve and retain minutes of all Committee meetings. The powers of the Committee may be exercised by written resolution signed by a quorum of the members of the Committee.

**3.7 Summary of Meetings**

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request of the Board.

**ARTICLE 4 - DELEGATION OF AUTHORITY**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**ARTICLE 5 – PERFORMANCE EVALUATION**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**SCHEDULE “C”**

**COMPENSATION COMMITTEE CHARTER**

**AVANTE LOGIXX INC.**

(the “Corporation”)

**ARTICLE 1- ROLE AND MEMBERSHIP**

**1.1 Role**

The Compensation Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”) of the Corporation. Its purpose is to carry out the responsibilities delegated by the Board relating to the review and determination of executive compensation of the Corporation.

**1.2 Composition**

The Committee shall be comprised of at least two directors. If the Committee is comprised of two directors, neither director shall be an officer or employee of the Corporation or any of its subsidiaries or any affiliate thereof. If the Committee is comprised of three or more directors, the majority of members shall be comprised of directors who are not officers or employees of the Corporation or any of its subsidiaries or any affiliate thereof. Each independent Committee member shall satisfy the independence requirements set out by Section 1.4 of National Instrument 52-110 – *Audit Committees*.

**1.3 Appointment**

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation.

The members of the Committee shall be appointed by the Board based on the recommendations from the Chairperson of the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

If a vacancy exists on the Committee for which the Board has not appointed a replacement member, the remaining members shall exercise the Committee’s power so long as quorum exists.

**1.4 Chair**

The Chair of the Committee (the “**Chair**”) may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

The Chair shall be responsible for the overall leadership of the Committee, including:

- (a) setting an agenda for all meetings of the Committee based on consultation with members of the Committee, the Board and management, as appropriate;
- (b) chairing committee meetings and fostering dialogue among members of the Committee;
- (c) adopting procedures so that the Committee can conduct business and function effectively;

- (d) making arrangements for management, outside advisors and other individuals to attend meetings, as appropriate, in order to assist the Committee to carry out its work;
- (e) ensuring members of the Committee are familiar with their duties and obligations under this Charter;
- (f) promoting honest and ethical decision-making in all aspects of the Committee's business;
- (g) ensuring decisions and actions taken at Committee meetings are reported to the Board; and
- (h) performing any other duties as directed by the Board.

## **ARTICLE 2 - DUTIES AND RESPONSIBILITIES**

### **2.1 Duties and Responsibilities**

The Committee, without limiting these duties and responsibilities, shall:

- (a) review and approve annually the corporate goals and objectives applicable to the compensation of the chief executive officer ("CEO"), evaluate at least annually the CEO's performance in light of those goals and objectives, and determine and make recommendations to the Board with respect to the CEO's compensation level (both cash- and equity-based) based on this evaluation;
- (b) in cooperation with the Corporation's Audit Committee, review and approve annually the corporate goals and objectives applicable to the compensation of the chief financial officer ("CFO"), evaluate at least annually the CFO's performance in light of those goals and objectives, and determine and make recommendations to the Board with respect to the CFO's compensation level (both cash- and equity-based) based on this evaluation;
- (c) review the compensation to be paid to the three highest earning executives (excluding the CEO and CFO), as approved by the CEO or CFO;
- (d) review and make recommendations to the Board regarding incentive compensation plans and equity-based plans, and where appropriate or required, recommend for approval by the shareholders of the Corporation, which includes the ability to adopt, amend and terminate such plans;
- (e) review and discuss with management the Corporation's Statement of Executive Compensation, including the disclosure with respect to compensation paid to the five highest earning executives, to be included in the Corporation's management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Corporation;
- (f) review and make recommendations to the Board regarding any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which includes the ability to adopt, amend and terminate such agreements, arrangements or plans;
- (g) determine share ownership guidelines for the CEO and other executive officers and monitor compliance with such guidelines;
- (h) review and make recommendations to the Board regarding all employee benefit plans for the Corporation, which includes the ability to adopt, amend and terminate such plans;

- (i) review the Corporation's incentive compensation policies and practices to determine whether they involve risks that are reasonably likely to have a material adverse effect on the corporation and to review and discuss, at least annually, the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk;
- (j) develop and recommend to the Board for approval a CEO or officer succession plan (the "**Succession Plan**"), to review the Succession Plan periodically, develop and evaluate potential candidates for CEO or executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan;
- (k) report to the Board on the activities of the Committee, including any decisions and action taken by the Committee; and
- (l) perform any other activities as are consistent with this Charter, the Corporation's by-laws, applicable legislation, guidelines and practices as the Committee or the Board deems necessary or appropriate for the fulfilment of the Committee's duties and responsibilities.

## **2.2 Outside Advisors**

The Committee shall have the authority, in its sole discretion, to engage independent counsel and other advisors as it determines necessary to assist with the execution of its duties and responsibilities as set for in this Charter. The Committee shall set and pay the compensation for any advisor employed by the Committee at the cost of the Corporation without obtaining Board approval.

## **ARTICLE 3 - MEETINGS**

### **3.1 Time and Location**

The Committee shall meet at least three times a year at such times and places as it deems necessary to fulfill its responsibilities. A meeting of the Committee may be convened by the Board or any member of the Committee who requests a meeting. Notice of every meeting shall be given to each member of the Committee. At least 48 hours' notice of a meeting is required, unless such notice is waived or shortened with the consent of all members of the Committee.

### **3.2 Quorum**

A quorum for decisions of the Committee shall be both Committee members, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other or if there are more than two members of the Committee then shall be a majority of both Committee members, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.

### **3.3 Agenda**

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared materials are circulated to the Committee with sufficient time for study prior to the meeting.

### **3.4 Majority Vote**

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

### **3.5 Management**

The Committee may invite such directors, officers and employees of the Corporation to its meetings as it deems appropriate to assist the Committee with the fulfillment of its duties and responsibilities. However, the Committee shall meet regularly without such members present.

### **3.6 Minutes**

At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the "Secretary"). The Secretary shall circulate the minutes of meetings of the Committee to the members of the Committee.

The Committee shall approve and retain minutes of all Committee meetings. The powers of the

Committee may be exercised by written resolution signed by a quorum of the members of the Committee.

**3.7 Summary of Meetings**

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request of the Board.

**ARTICLE 4 - DELEGATION OF AUTHORITY**

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**ARTICLE 5 - PERFORMANCE EVALUATION**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**SCHEDULE “D”**

**INVESTMENT COMMITTEE CHARTER  
AVANTE LOGIXX INC.  
(the “Corporation”)  
ARTICLE 1- ROLE AND MEMBERSHIP**

**1.1 Role**

The Compensation Committee (the “**Committee**”) is a standing committee of the Board of Directors (the “**Board**”) of the Corporation. Its purpose is to review and assess, and assist the Board in reviewing and assessing, potential acquisitions, strategic investments and divestitures. The Investment Committee will have the authority to take all actions on behalf of the Board as is set forth in this Charter.

**1.2 Composition**

The Committee shall be comprised of three members of the Board. At least two (2) members of the Investment Committee must meet the independence requirements of the TSX, any other regulatory requirements applicable to the Company, and any additional independence requirements set forth in the Company’s Corporate Governance Guidelines. Each Committee member shall be subject to annual reconfirmation and may be removed by the Board at any time.

**1.3 Appointment**

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation.

The members of the Committee shall be appointed by the Board based on the recommendations from the Chairperson of the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation or death. The Board may remove any member from the Committee at any time with or without cause.

If a vacancy exists on the Committee for which the Board has not appointed a replacement member, the remaining members shall exercise the Committee’s power so long as quorum exists.

**1.4 Chair**

The Chair of the Committee (the “**Chair**”) may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair shall be responsible for the overall leadership of the Committee, including:

- (a) setting an agenda for all meetings of the Committee based on consultation with members of the Committee, the Board and management, as appropriate;
- (b) chairing committee meetings and fostering dialogue among members of the Committee;

- (c) adopting procedures so that the Committee can conduct business and function effectively;
- (d) making arrangements for management, outside advisors and other individuals to attend meetings, as appropriate, in order to assist the Committee to carry out its work;
- (e) ensuring members of the Committee are familiar with their duties and obligations under this Charter;
- (f) promoting honest and ethical decision-making in all aspects of the Committee's business;
- (g) ensuring decisions and actions taken at Committee meetings are reported to the Board; and
- (h) performing any other duties as directed by the Board.

## **ARTICLE 2 - DUTIES AND RESPONSIBILITIES**

### **2.1 Duties and Responsibilities**

The Committee, without limiting these duties and responsibilities, shall:

- (a) Review, and provide guidance to management and the Board with respect to, the Company's acquisition, investment, and divestiture strategies;
- (b) To review and approve periodically policies and guidelines governing the Company's investment portfolio and monitor compliance with those policies;
- (c) To review and approve periodically policies and guidelines regarding the Company's use of debt/ securitization and monitor compliance with those policies;
- (d) Assist management and the Board with the identification of acquisition, investment, and divestiture opportunities;
- (e) Oversee management and the Board's due diligence process with respect to proposed acquisitions, investments, and divestitures;
- (f) Review acquisition, investment, and divestiture candidates with management, when and as appropriate. In connection with such review, the Investment Committee has the following authority and responsibilities:

See Appendix attached for "Investment Authorization Matrix"

When a transaction is approved by Management or the Committee pursuant to the parameters stated above, the full Board shall be informed of such decision within three (3) business days and be provided with an Investment Memo within ten (10) business days of approval.

- (g) Request that management prepare and present post-acquisition performance reviews on specified acquisitions with such frequency as the Investment Committee may designate;
- (h) Provide a report of its meetings and activities to the full Board on a regular basis.

## 2.2 Outside Advisors

- (a) The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other advisers as it deems necessary for the proper performance of its responsibilities
- (b) The Company's CEO, and the Committee shall each have the authority to retain or terminate any consultant or advisor retained at the direction of the Committee to assist the Committee in carrying out its responsibilities, including authority to approve the fees or other compensation, and other retention terms, of such consultant or advisor, such fees or other compensation to be borne by the Company.

## ARTICLE 3 – MEETINGS

### 3.1 Time and Location

The Investment Committee shall convene periodically as necessary to act upon any matter within its jurisdiction;

### 3.2 Quorum

A quorum of the Investment Committee consists of a majority of its members. All actions of the Investment Committee must be approved by a majority vote of the members present, unless there are only two members present, in which case such actions require a unanimous vote. Action may also be taken via unanimous written or electronic consent to the extent permitted by the Company's Bylaws;

### 3.3 Agenda

The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared materials are circulated to the Committee with sufficient time for study prior to the meeting.

### 3.4 Vote

Voting may be conducted verbally and the results, together with all other business conducted at each meeting will be recorded in the minutes of the meeting;

### 3.5 Management

The Committee may invite such directors, officers and employees of the Corporation to its meetings as it deems appropriate to assist the Committee with the fulfillment of its duties and responsibilities. However, the Committee shall meet regularly without such members present.

### 3.6 Minutes

At each meeting, the Committee may appoint an individual to act as secretary for the meeting (the "Secretary"). The Secretary shall circulate the minutes of meetings of the Committee to the members of the Committee.

The Committee shall approve and retain minutes of all Committee meetings. The powers of the Committee may be exercised by written resolution signed by a quorum of the members of the Committee.

### 3.7 Summary of Meetings

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request of the Board.

## ARTICLE 4 - DELEGATION OF AUTHORITY

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to

take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**ARTICLE 5 - PERFORMANCE EVALUATION**

The Committee shall conduct an annual evaluation of the performance of its duties under this charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

**SCHEDULE “E”  
SHAREHOLDER PROPOSAL**

The following proposal (the “**Proposal**”) and accompanying statement was submitted for consideration at the Meeting by a holder of Common Shares, George Christopoulos, of 1075 Bay Street, Suite 505, Toronto, Ontario, M5S 2B1, and are set out below verbatim in italics.

**THE BOARD OF DIRECTORS RECOMMENDS VOTING AGAINST THE PROPOSAL, FOR THE REASONS SET OUT AFTER THE PROPOSAL. UNLESS OTHERWISE INSTRUCTED, THE PERSONS DESIGNATED IN THE FORM OF PROXY INTEND TO VOTE AGAINST THE PROPOSAL.**

**PROPOSAL:**

*Membership on board of private entities and management teams be disclosed and itemized for each member of Avante’s management team.*

**STATEMENT IN SUPPORT OF PROPOSAL:**

*Most public company boards limit the outside board and outside management activity of their CEOs and CFOs.*

**RESPONSE OF AVANTE LOGIXX INC.**

The Board of Directors recommends that shareholder vote AGAINST the proposal.

The Board of Directors has the responsibility to oversee the management of the Company and preserve and enhance the Company’s viability, with due regard for the interests of its shareholders and other stakeholders.

The Company’s Board of Directors regularly reviews conflicts of interest regarding all Directors and Management and therefore does not deem it necessary to disclose or limit membership of boards of private entities and management teams for the Company’s management team.