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# **ENVIRONMENTAL WASTE INTERNATIONAL INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS TO BE HELD ON SEPTEMBER 26<sup>th</sup>, 2019**

**– AND –**

**MANAGEMENT INFORMATION CIRCULAR**



**ENVIRONMENTAL WASTE INTERNATIONAL INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON SEPTEMBER 26th, 2019**

**NOTICE IS HEREBY GIVEN** that the annual and special meeting of the Shareholders (the “**Meeting**”) of Environmental Waste International Inc. (the “**Corporation**”) will be held at WeirFoulds LLP, 66 Wellington Street West Suite 4100, Toronto, ON M5K 1B7 on Thursday, the 26<sup>th</sup> day of September 2019 at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. To consider, and if deemed appropriate, pass a resolution fixing the number of directors of the Corporation within the minimum and maximum permitted by its Articles of Incorporation at six (6);
2. To consider, and if deemed appropriate, pass a resolution electing six (6) directors of the Corporation for the ensuing year;
3. To consider, and if deemed appropriate, pass a resolution re-appointing MNP LLP, Chartered Accountants, as auditors of the Corporation for the current year and authorizing the directors to fix the remuneration of the auditors;
4. To consider, and if deemed appropriate, pass a resolution confirming ratifying approving the Corporation’s 10% rolling stock option plan (the “**Plan**”);
5. To consider and, if deemed appropriate, pass a special resolution authorizing the board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) to consolidate the common shares of the Corporation (“**Common Shares**”) on the basis of one (1) new Common Share for up to twenty (20) old Common Shares and amend the Corporation’s Articles accordingly; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of the annual audited consolidated financial statements of the Corporation for its financial year ended December 31, 2018, and the auditors’ report thereon, together with the corresponding management discussion and analysis will be delivered to shareholders who requested a copy. These documents may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or at the following website at: <https://docs.tsxtrust.com/2055>

The Corporation has elected to use the notice-and-access provisions for the Meeting pursuant to National Instrument 54-101 (“**NI 54-101**”) (“**Notice-and-Access Provisions**”) with respect to the mailing to its registered shareholders and its non-objecting beneficial shareholders (the “**NOBOs**”). The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to post the enclosed management information circular (the “**Information Circular**”) and any additional materials on a non-SEDAR website rather than delivering such materials by mail. Shareholders will receive this Notice of Meeting and a form of proxy (the “**Notice Package**”) and may choose to receive a hard copy of the enclosed Information Circular.

The Corporation is not using procedures known as ‘stratification’ in relation to the use of Notice-and- Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with the Notice Package. The Corporation is sending the Notice Package directly to the NOBOs. The Corporation will not pay for intermediaries to deliver the Notice Package to objecting beneficial holders (as defined in NI 54-101), and objecting beneficial holders will not receive the Notice Package unless their intermediary assumes the cost of delivery. In relation to this Meeting, the Notice Package will be sent to the NOBOs and the Notice Package along with a copy of the Information Circular will be sent to the registered shareholders.

Please review the Information Circular carefully and in full prior to voting in relation to the matters to be conducted at the Meeting. The Information Circular is available on SEDAR at [www.sedar.com](http://www.sedar.com) and at the following website <https://docs.tsxtrust.com/2055>

Any shareholders who wishes to receive a paper copy of the Information Circular should contact the Corporation at (905) 686-8689. A shareholder may also contact the Corporation's transfer agent, TSX Trust Company at Toll Free 1-866-600-5869 to obtain additional information about the "Notice-and-Access Provisions". All shareholders are invited to attend the Meeting. The Board of Directors of the Corporation has fixed August 7, 2019 as the record date for determining the shareholders who are entitled to vote at the Meeting. Only holders of common shares of the Corporation at the close of business on August 7, 2019 will be entitled to receive notice of and to vote at the Meeting. In order to allow for reasonable time to be allotted for a shareholder to receive and review a paper copy of the Information Circular prior to the proxy deadline, any shareholder wishing to request a paper copy of the Information Circular as described above, should ensure such request if received by 10:00 a.m. (Toronto time) on August 26, 2019.

If you cannot attend, we encourage you to complete and return the form of proxy or voting instruction form provided to you indicating your voting instructions. Please complete, date and sign your form of proxy or voting instruction form and return it by mail in the envelope provided for this purpose, or by facsimile to our transfer agent, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto Ontario M5H 4H1 or by following the procedures for Internet voting provided in the enclosed form of proxy or voting instruction form. To be valid, a completed form of proxy or voting instruction form must be received by our transfer agent, or Internet voting must be completed, by no later than 10:00 a.m. (Toronto Time) on Tuesday September 24, 2019 or, if the meeting is adjourned, by no later than 48 hours prior to the time of the adjourned meeting. If you are not a registered shareholder, please refer to the Information Circular for information on how to vote your shares.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

DATED at Toronto, Ontario, this 14<sup>th</sup> day of August 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*"Bob MacBean"*

Bob MacBean  
Chief Executive Officer

**ENVIRONMENTAL WASTE INTERNATIONAL INC.**

**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF ENVIRONMENTAL WASTE INTERNATIONAL INC.** (the “**Corporation**”) for use at an annual general and special meeting of shareholders of the Corporation (the “**Meeting**”) to be held at WeirFoulds LLP, 66 Wellington Street West Suite 4100, Toronto, ON M5K 1B7 on Thursday, the 26<sup>th</sup> day of September, 2019 at the hour of 10:00 a.m. (Toronto time) and at any adjournments thereof, for the purposes set out in the accompanying Notice of Meeting. The cost of solicitation of proxies will be borne by the Corporation. The information contained in this management information circular (the “**Information Circular**”) is given as at August 7, 2019, unless indicated otherwise.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are directors or representatives of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT THEM AT THE MEETING MAY DO SO** by inserting such other person’s name in the blank space provided in the form of proxy and depositing the completed proxy with the Corporation’s transfer agent, TSX Trust Company, as instructed below. A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed and delivered in the same manner as the proxy at any time up to and including the last business day preceding the day of the Meeting or any adjournment at which the proxy is to be used or delivered to the Chair of the Meeting (the “**Chair**”) on the day of the Meeting or any adjournment prior to the time of voting and upon either such occurrence, the proxy is revoked.

**DEPOSIT OF PROXY**

By resolution of the Directors, duly passed, **ALL PROXIES TO BE USED AT THE MEETING MUST BE DEPOSITED NOT LATER THAN 48 HOURS PRECEDING THE DAY OF THE MEETING, EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS (September 24, 2019 AT 10:00 A.M.), OR ANY ADJOURNMENT, WITH THE CORPORATION’S TRANSFER AGENT, TSX TRUST COMPANY, 100 ADELAIDE STREET WEST, SUITE 301, TORONTO ONTARIO M5H 4H1,** provided that a proxy may be delivered to the Chair of the Meeting on the day of the Meeting or any adjournment prior to the time of voting and it is up to the Chair of the Meeting to accept or reject the proxy so delivered at the Chair’s sole discretion. A return envelope has been included with this material.

**NON-REGISTERED SHAREHOLDERS**

Only shareholders of record at the close of business on August 7, 2019, or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either:

- i. in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or
- ii. in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, (“**NI54-101**”) the Corporation will have distributed copies of the Notice of Meeting, this Management Proxy Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting material to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- i. be given a form of proxy which 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. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and submit it to the Corporation or the Corporation’s transfer agent, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto Ontario M5H 4H1; or
- ii. more typically, be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the Non-Registered Holder will be given a page of instructions that contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the person named in the proxy and insert the Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

A Non-Registered Holder may revoke a proxy authorization form (voting instructions) or a waiver of the right to receive meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a proxy authorization form (voting instructions) or of a waiver of the right to receive meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the issuer (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.

## EXERCISE OF DISCRETION OF PROXIES

The persons named in the accompanying form of proxy for use at the Meeting will vote the shares in respect of which they are appointed in accordance with the directions of the shareholders appointing them.

### IN THE ABSENCE OF SUCH DIRECTIONS, SUCH SHARES SHALL BE VOTED “FOR”:

1. fixing the number of directors of the Corporation within the minimum and maximum permitted by its Articles of Incorporation at six (6);
2. the election of directors as nominated by Management, regardless of whether there is a change, amendment or variation to the persons proposed by Management for election as directors at the Meeting or whether persons are nominated for election as directors on or from the floor of the Meeting;
3. the re-appointment of MNP LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. a resolution confirming, ratifying and approving the Corporation’s 10% rolling stock option plan (the “**Plan**”);
5. a special resolution authorizing the Board of Directors of the Corporation to consolidate the Common Shares on the basis of one (1) new Common Share for up to twenty (20) old Common Shares and amend the Corporation’s Articles accordingly; and
6. such further and other business as may be properly brought before the Meeting or any adjournment thereof.

Each of items 1, 2, 3 and 4 require approval by a simple majority (50.1%) of all votes cast at the Meeting, either in person or by proxy. Item 5 requires the approval of a special majority (66 2/3%) of all votes cast at the Meeting either in person or by proxy.

The enclosed form of proxy confers discretionary authority upon the person named with respect to any amendment, variation or other matter to come before the Meeting, other than the matters referred to in the Notice of Meeting. HOWEVER, IF ANY SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS, WHICH ARE NOT NOW KNOWN TO THE MANAGEMENT, SHOULD PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXIES WILL BE VOTED IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING SUCH PROXIES, EXCEPT IN THE CASE OF THE ELECTION OF DIRECTORS AS THE SHARES REPRESENTED BY PROXY WILL BE VOTED FOR MANAGEMENT NOMINEES ONLY AND REGARDLESS OF ANY AMENDMENT OR VARIATION.

## NOTICE AND ACCESS

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

The Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. The Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer’s expense.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Corporation must

send a notice to shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain from the Corporation a paper copy of those materials. These documents may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or at the following website at: <https://docs.tsxtrust.com/2055>

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

The Corporation will not rely upon the use of 'stratification'.

The Corporation will send proxy-related materials directly to non-objecting Non-Registered Shareholders, through the services of its registrar and transfer agent, TSX Trust Company. The Corporation intends to pay for the Intermediary to deliver to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary of NI 54-101.

Any shareholder who wishes to receive a paper copy of this Circular must contact the Corporation's transfer agent, TSX Trust Company at 100 Adelaide Street West, Suite 301 Toronto, Ontario, M5H 4H1, Fax: (416) 595-9593, Toll-free: 1-866-600-5869. In order to ensure that a paper copy of the Circular can be delivered to a requesting shareholder in time for such shareholder to review the Circular and return a proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that shareholders ensure their request is received no later than August 26, 2019.

All shareholders may call 1-866-600-5869 (toll-free) in order to obtain additional information regarding the Notice-and-Access Provisions or to obtain a paper copy of the Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

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

The authorized capital of the Corporation consists of an unlimited number of common shares of which 165,827,736 Common Shares are issued and outstanding as fully paid and non-assessable as at August 7, 2019.

The record date for the Meeting is August 7, 2019. Each holder of common shares of record will be entitled to one vote for each common share held at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding common shares of the Corporation other than Paul E. Orlin who owns 27,368,849 common shares representing 16.50% of the Common Shares of the Corporation.

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

Except as discussed below, no one who has held the position of director or executive officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, during the financial year ended December 31, 2018, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

At the Meeting, shareholders will be asked to consider and, if thought fit, to confirm, ratify and approve the Plan. Each director and officer of the Corporation is an eligible participant under the Plan and, accordingly, could be considered to have a material interest in the ratification of the Plan.



## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Fixing Number of Directors

Management has nominated six (6) individuals for election to the board of directors. Accordingly, shareholders are being asked at the Meeting to pass an ordinary resolution fixing the number of directors at six (6) within the minimum and maximum permitted by the Corporation’s articles of incorporation.

#### *Board Resolution*

Shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution (the “**Board Resolution**”):

**“BE IT RESOLVED THAT:**

the number of directors to be elected at the Meeting to hold office for the ensuing year or otherwise as authorized by the Shareholders of the Corporation be and is hereby fixed at six (6).”

**Management recommends that shareholders vote in favour of the Board Resolution set out above. In the absence of a contrary instruction, the persons named in the enclosed Proxy Form intend to vote FOR the Board Resolution.**

### 2. Election of Directors

The Board of Directors currently consists of six (6) members. If the first resolution is passed the Board size will remain at six (6). At the Meeting, shareholders will be asked to elect six (6) directors. Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed, unless his or her office is earlier vacated according to the provisions of the by-laws of the Corporation or the *Business Corporations Act* (Ontario).

Management has nominated each of the persons set forth in the table below, to stand for election as directors of the Corporation. All nominees for election as directors are currently directors of the Corporation. Voting for the election of the proposed directors will be conducted on an individual not slate, basis. Shareholders have the option to (i) vote for all of the proposed nominees listed in the table below; (ii) vote for some of the proposed nominees and withhold for others; or (iii) withhold for all of the proposed nominees.

**Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

**Management has no reason to believe that any of the nominees will be unable to serve as a director. However, if any proposed nominee is unable to serve as a director, the individuals named in the Form of Proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.**

The following table states the names of the nominees, their principal occupation and employment for the previous five years and the number of shares of the Corporation beneficially owned, directly, or indirectly, or over which control or direction is exercised, by each of them as of August 7, 2019. The respective nominees have furnished the information as to shares beneficially owned.

Name and Director Since	Province and Country of Residence	Principal Occupation	Number of Common Shares Beneficially Owned or Controlled <sup>(2)</sup>	Percentage of Common Shares
Sam Geist <sup>(1)(3)</sup> 2005	Ontario, Canada	Business Consultant and owner	5,885,185	3.55%
Emanuel Gerard <sup>(1)(5)</sup> 1999	New York, NY, USA	Private Investor and Business Consultant	5,998,421	3.62%

Bob MacBean 2014	Ontario, Canada	Chief Executive Officer of Environmental Waste International Inc.	658,333	0.40%
Glenn Myers <sup>(1)(3)</sup> 2016	Ontario, Canada	Business Consultant	10,000	0.01%
Paul Orlin <sup>(5)</sup> 2017	New York, NY, USA	Private Investor	27,368,849	16.50%
Robert Savage 2017	New York, NY, USA	Partner, KSH Capital LP	9,572,500 <sup>(4)</sup>	5.77%

**Notes:**

- Members of the Audit Committee who are appointed annually.
- Shares beneficially owned directly or indirectly, or over which control or direction is exercised, as at August 7, 2019, based upon information furnished to the Corporation by the individuals in the table above. Unless otherwise indicated, shares are held directly.
- Member of the Compensation Committee.
- Mr. Savage's common shares of the Corporation are held through EWI Investors, LLC ("Investors LLC") and Mr. Savage owns 49.88% of Investors LLC. Investors LLC also holds 3,712,500 common share purchase warrants exercisable for five years into common shares at \$0.11. Investors LLC also holds a \$1,350,000 convertible debenture of the Corporation that is convertible into 12,272,727 common shares of the Corporation.
- Members of the Governance Committee who are appointed annually.

***Corporate Cease Trade Orders***

Except as disclosed below, none of the proposed directors are, as at the date hereof, or has been, within ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation) that,

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

On May 6, 2019, the Corporation received a cease trade order, issued by the Ontario Securities Commission, for not filing its annual financial statements for the year ended December 31, 2018. The annual financial filings were filed on SEDAR on July 31, 2019. Consequently, the cease trade order was revoked on August 1, 2019. At the time of this cease trade order, Sam Geist, Emanuel Gerard, Bob MacBean, Glenn Myers, Paul Orlin, and Robert Savage were directors of the Corporation and Bob MacBean and Steve Kantor were executive officers of the Corporation

***Corporate Bankruptcies***

None of the proposed directors of the Corporation is, as at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such proposed director was acting in such capacity, or within a year of such proposed director ceasing to act in such 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.

***Personal Bankruptcies***

None of the proposed directors of the Corporation or any personal holding company of such person has, during the ten years prior to the date hereof, 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 such proposed director or personal holding company of such person.

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

During the ten years prior to the date hereof, none of the proposed director of the Corporation or any personal holding company of such person has been subject to:

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

### **3. Appointment of Auditors**

MNP LLP, Chartered Accountants are the independent, registered certified auditors of the Corporation. At the meeting the Shareholders will be asked to consider and, if thought appropriate, pass, with or without variation, a resolution re-appointing MNP LLP, Chartered Accountants as auditors of the Corporation to hold office until the close of the next annual Meeting and authorizing the directors of the Corporation to fix the remuneration of the auditors. To be effective, this resolution must be passed by a majority of the votes cast in respect of this resolution.

**Management recommends that Shareholders vote FOR the adoption of the ordinary resolution approving the appointment of the auditors of the Corporation.**

**Proxies received in favour of management will be voted FOR the approval of the above ordinary resolution unless a Shareholder has specified in the proxy that the Common Shares are to be withheld from such ordinary resolution.**

### **4. Ratification of the Corporation's 10% Rolling Stock Option Plan**

On May 9, 2013, the Board of Directors of the Corporation adopted the Plan which was approved and adopted by the shareholders of the Corporation at the last annual general and special meeting of shareholders held on June 28, 2018. In accordance with the rules and policies of the TSX Venture Exchange, rolling stock option plans must be re-approved by shareholders on an annual basis and management will be asking shareholders to confirm, ratify and approve the Plan at the Meeting. Below is a summary of the Plan which is qualified in its entirety by the Plan itself. Shareholders wishing to obtain a copy of the Plan may do so by requesting a copy from the Corporation at 360 Frankcom Street, Ajax, Ontario L1S 1R5 Attn: Bob MacBean.

The purpose of the Plan is to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with those of the shareholders. The Plan will be administered by the Board or, in its discretion, a stock option committee consisting of not less than three members of the Board. It is anticipated that the Board will administer the Plan with recommendations from the Compensation Committee.

Pursuant to the Plan, options will be exercisable over periods of up to ten (10) years as determined by the Board. In addition, options are required by the Corporation to have an exercise price no less than the closing market price of the Corporation's shares prevailing on the day that the option is granted. Pursuant to the Plan, the Board may from time to time authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of Common Shares which may be issued pursuant to options granted under the Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares which may be reserved for issuance to any one individual may not exceed 5% of the issued Common Shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Options granted under the Plan will be subject to such vesting schedule as the Board may determine.

Pursuant to the Plan, if any participant who is a director, officer, employee or consultant of the Corporation or an affiliate shall cease to act in that capacity for any reason other than death or permanent disability, subject to the discretion of the Board and provided that in no event shall the exercise term of an option exceed one (1) year from its Grant Date, such participant's options will terminate on the earlier of the date of the expiration of the relevant date and 90 days after the date such participant ceases to be a director, officer, employee or consultant of the Corporation or any affiliate. The Plan also provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Options are non-assignable and non-transferable, although they are assignable to and may be exercisable by an optionee's legal heirs, personal representatives or guardians in certain cases.

If shareholders confirm, ratify and re-approve Plan, which reserves for issuance 10% of the number of issued and outstanding Common Shares, 16,582,773 Common Shares would be reserved for issuance there under. As at the date hereof, there are 11,843,750 options outstanding and there are 4,739,023 additional options remaining available for grant under the Plan. This number would increase as the number of issued and outstanding Common Shares increases.

At the Meeting, the shareholders will be asked to pass an ordinary resolution, with or without amendment, to confirm, ratify and approve Plan. The following is the text of the resolution to be considered by the shareholders at the meeting:

**“BE IT RESOLVED THAT**

the Corporation's 10% rolling stock option plan (the “**Plan**”) dated May 6, 2013, as originally approved by the Board on May 9, 2013 and by the shareholders of the Corporation on June 11, 2013 be and is hereby confirmed, ratified and approved.”

**The foregoing resolution must be approved by a majority of the Corporation's shareholders that are present in person or by proxy at the Meeting. The persons named in the form of proxy provided to you intend to vote the Common Shares represented by such proxy FOR the resolution to confirm, ratify and approve the Plan.**

**5. Approval of Share Consolidation**

The Board may propose to reduce the number of Common Shares of the Corporation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Corporation to be advisable. Shareholders are being asked to consider and, if thought fit, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Common Shares on the basis of one (1) new Common Share for up to twenty (20) old Common Shares (the “Consolidation”) and amending the Corporation's articles accordingly. Notwithstanding approval of the Consolidation by shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to affect the consolidation of Common Shares, the Corporation shall first be required to obtain any and all applicable regulatory and relevant TSX-V approvals. The Board believes shareholder approval of a maximum potential Consolidation Ratio (rather than a single consolidation ratio) of one post-Consolidation Common Shares for up to twenty pre-Consolidation Common Shares provides the Board with flexibility to achieve the desired results of the Consolidation, and to ensure that the Corporation remains in compliance with applicable shareholder distribution requirements of the TSX-V. If this special resolution is approved, the Consolidation will be implemented, if at all, only upon a determination by the Board that the Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a Consolidation, the Corporation's Boards will set the timing for such a consolidation and select the specific ratio from within the range for a ratio set forth in the special resolution.

*Certain Risks Associated with the Consolidation*

There can be no assurance that the total market capitalization of the Corporation's Common Shares (the aggregate value of all Common Shares at the then market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation will be higher than the per share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the Common Shares could be adversely affected. There can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of Common Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

#### *Principal Effects of the Consolidation*

As of August 7, 2019, the Corporation had 165,827,736 Common Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will depend on the ratio selected by the Corporation's Board. The following table sets out the appropriate number of Common Shares that would be outstanding as a result of the Consolidation at the ratios suggested below.

**Table – Consolidation Ratio**

<b>Proposed Consolidation Ratio <sup>(1)</sup></b>	<b>Approximate Number of Outstanding Shares (Post Consolidation) <sup>(2)</sup></b>
1 for 20	8,291,386
1 for 16	10,364,233
1 for 10	16,582,773
1 for 4	41,456,933

**Notes:**

1. The Ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board of Directors to affect the Consolidation.
2. Based on the outstanding number of Common Shares as at August 7, 2019, being 165,827,736

#### *Tax Effect*

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Common Shares as capital property. The adjusted cost base to the shareholder of the new Common Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Common Shares immediately before the Consolidation.

#### *Notice of Consolidation and Letter of Transmittal*

If the Corporation effects the Consolidation, a letter of transmittal will be mailed to the shareholders. This letter of transmittal which will need to be duly completed and submitted by any shareholder wishing to receive share certificates representing the post-Consolidation Common Shares to which he, she or it is entitled if the Corporation completes the Consolidation. This letter of transmittal can be used for the purpose of surrendering certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Common Shares of the Corporation. After the Consolidation, current issued share certificates representing pre-Consolidation Common Shares of the Corporation will (i) not constitute good delivery for the purposes of trades of post-Consolidation Common Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates. **Please do not send the letter of transmittal until the Corporation announces by press release that the Consolidation will become effective. The press release will contain instructions as to when the existing share certificates and the letter of transmittal are to**

**be mailed to shareholders and sent to TSX Trust Corporation, the Corporation's registrar and transfer agent.**

#### *Fractional Shares*

No fractional common shares of the Corporation will be issued upon the Consolidation. All fractions of post-Consolidation shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater.

#### *Percentage Shareholdings*

The Consolidation will not affect any shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares. Instead, the Consolidation will reduce proportionately the number of Common Shares held by all shareholders.

#### *Implementation*

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the meeting not to proceed with completion of the proposed Consolidation and filing the articles of amendment. If the Board does not implement the Consolidation within 36 months of the Meeting, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect.

#### *Effect on Non-registered Shareholders*

Non-registered shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

At the Meeting, the Shareholders will be asked to pass a special resolution, with or without amendment, to approve the Consolidation. The following is the text of the resolution to be considered by the Shareholders at the meeting:

**“BE IT RESOLVED THAT:**

1. The Corporation be and is hereby authorized to consolidate the issued and outstanding Common Shares in the capital of the Corporation on the basis of one (1) new Common Share for up to every twenty (20) Common Shares presently issued and outstanding (the “**Consolidation**”) and amend the Corporation's Articles accordingly;
2. the Board of Directors are hereby authorized to determine the ratio for the Consolidation within the range set out in the Table entitled – “*Consolidation Ratio*” of the management information circular dated August 7, 2019;
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, prepare and file Articles of Amendment for the Corporation to effect the Consolidation or make any changes required by the TSX Venture Exchange or applicable securities regulatory authorities; and
4. notwithstanding the passing of this special resolution by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered

without further notice to or approval of the Shareholders of the Corporation not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the resolution authorizing and approving the Consolidation. In order to be approved, the special resolution must be passed by at least 66 and 2/3% of the votes cast by shareholders at the Meeting in person or by proxy.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

For the purposes of this Circular, a named executive officer (“NEO”) of the Corporation means each of the following individuals:

1. each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a chief executive officer;
2. each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a chief financial officer;
3. in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*; and
4. each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2018, the Corporation had the following NEOs: Bob MacBean, CEO and CFO, and Steve Kantor, Chief Technology Officer (“CTO”)

### Compensation Discussion and Analysis

#### Compensation Philosophy

The principal objectives of our compensation policies and practices for executive compensation are to attract and retain talented executives and to motivate them to achieve annual and long-term corporate objectives that are aligned with the interests of our shareholders.

The Compensation Committee establishes and reviews the Corporation’s overall compensation philosophy and its general compensation policies with respect to the Chief Executive Officer, the President and other senior officers. For executive officers other than the President and Chief Executive Officer, the Chief Executive Officer makes compensation recommendations to the Compensation Committee. The Compensation Committee, in reviewing and making recommendations to the Board relating to executive compensation, will consider and apply, among other things, the historical operating philosophies and policies of the Corporation and the use of stock options granted under the Corporation’s stock option plan to align the interests of management and shareholders to create shareholder value. The Compensation Committee evaluates the Chief Executive Officer’s performance and, based on its evaluation, reviews and makes recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation. In determining the Chief Executive Officer’s compensation, the Compensation Committee considers the terms of his employment with the Corporation and may additionally consider a number of other factors, including the Corporation’s performance, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years and other factors it considers relevant. The

Compensation Committee also reviews and makes recommendations to the Board with respect to compensation, benefits and perquisites for all other senior officers of the Corporation, incentive compensation and equity-based plans, and policies regarding management benefits and perquisites. The Corporation does not engage an outside consulting firm to provide executive compensation consulting. There is no regulatory oversight of our compensation process for our named executive officers. The Corporation did not use any specific benchmarks for determining the named executive officer compensation.

### **Elements of Compensation**

The elements of compensation for our named executive officers during the financial year ended December 31, 2018 included stock option grants, base salaries, company-wide employee health and welfare benefits (including medical, dental, group life insurance, accidental death and personal loss insurance, long term disability and long-term care), and, in certain cases, an annual bonus opportunity. The Corporation's executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the Corporation, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve the Corporation's financial performance, enthusiasm and loyalty, and ability to create (or help to create) value for the benefit of the Corporation's shareholders. The Compensation Committee believes that the base salary component provides a measure of certainty and predictability to meet certain living and other financial commitments and, together with the cash bonus component, motivates executives in the short-to-medium term, while stock option grants align their interests with those of the Corporation's shareholders and assist in keeping the Corporation competitive in attracting and retaining high quality executives.

#### *Salary*

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Corporation's performance.

#### *Bonus*

The Corporation's cash bonus awards are designed to reward an executive for the direct contribution that he or she can make to the Corporation and, at the most senior level, are directly tied to the Corporation's financial performance. The Compensation Committee determined that no cash bonuses should be awarded for the last fiscal year.

#### *Stock Options*

Stock option grants are an important component of the Corporation's executive compensation structure. Grants are intended to motivate management to achieve superior long-term performance. Options align the interests of management with those of the Corporation's shareholders and assist in keeping the Corporation competitive in attracting and retaining high quality executives. Options are granted pursuant to the Corporation's stock option plan, which permits the Compensation Committee to determine the vesting requirements and other key terms that will attach to the options. In accordance with their design as a long-term component of compensation, options granted to executives are generally subject to various vesting periods. When considering an award of options to an executive officer, consideration of the number of options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions are generally not a factor.

The foregoing Report on Executive Compensation is submitted by the Compensation Committee.

### **Table of Compensation excluding Compensation Securities**

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or its subsidiaries, to each NEO and director, in any capacity, during the financial years ended December 31, 2018 and 2017. Other than the employees set out below, the Corporation had no other employees whose total compensation exceeded \$150,000 during the last fiscal year.



Name and Positions	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Karen Rutenberg <i>CFO</i> <sup>(1)</sup>	2018	26,500	Nil	Nil	N/A	Nil	26,500
	2017	15,750	Nil	Nil	N/A	Nil	15,750
Steve Kantor <i>CTO</i> <sup>(2)</sup>	2018	125,000	Nil	Nil	N/A	Nil	125,000
	2017	125,000	Nil	Nil	N/A	Nil	125,000
Bob MacBean <sup>(3)</sup> <i>Director, CFO, CEO</i>	2018	162,773 <sup>(4)</sup>	Nil	Nil	N/A	Nil	162,773
	2017	178,267 <sup>(4)</sup>	Nil	Nil	N/A	Nil	178,267
Sam Geist <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil
Emanuel Gerard <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil
Valdis Martinsons <sup>(6)</sup> <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil
Glenn Myers <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil
Paul Orlin <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil
Robert Savage <i>Director</i>	2018	Nil	Nil	Nil	N/A	Nil	Nil
	2017	Nil	Nil	Nil	N/A	Nil	Nil

**Notes:**

1. Karen Rutenberg was appointed CFO in May 2016 and resigned June 26, 2017 but still provides financial consulting services.
2. Steve Kantor was appointed CTO in May 2013.
3. Bob MacBean was appointed CFO on November 12, 2013 until May 2016, and re-appointed as CFO on June 26, 2017; he was also appointed CEO on November 25, 2014.
4. This discloses the actual compensation earned during the fiscal year indicated. Mr. MacBean deferred \$178,267 of his compensation in 2017 and deferred \$162,773 of his compensation in 2018 in order to preserve the Corporation's cash.
5. Option-based awards are valued at the share price on December 31, 2017 which was \$0.04, minus the fair value of the option granted.
6. Valdis Martinsons resigned as of June 27, 2019.
7. The annual weighted average volatility number used in the above calculations and in other charts below is 192%

**Stock Options and Other Compensation Securities**

The following table sets forth all compensation securities granted or issued to each NEO and directors by the Corporation in the financial year ended December 31, 2018 for services provided directly or indirectly to the Corporation.

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
Bob MacBean CFO, CEO	Options	200,000	07/04/2018	0.10	0.06	0.05	7/03/2023
Steve Kantor CTO	Options	300,000	07/04/2018	0.10	0.06	0.05	07/03/2023

### Exercise of Compensation Securities by Directors and NEOs

The following table sets forth each exercise by a director or NEO of compensation securities during the financial year ended December 31, 2018:

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 (\$)
Bob MacBean CFO, CEO	Options	Nil	Nil	Nil	Nil	Nil	Nil
Steve Kantor CTO	Options	Nil	Nil	Nil	Nil	Nil	Nil

### Executive Officer Employment Agreements

#### *Estimated Incremental Payment on Change of Control Termination*

The following table sets forth the estimated incremental payments which would be owing to each of Mr. MacBean and Mr. Kantor in the event that the employment of such executive officers had been terminated effective December 31, 2018, in each of the circumstances set forth below.

Name	Termination Event	Estimated Incremental Payment			
		Severance	Option-Based Awards	Other	Total
<b>Bob MacBean</b>	By Corporation for just cause	Nil	Nil	Nil	Nil
	By Corporation without just cause	Nil	Nil	Nil	Nil
	By Mr. MacBean	Nil	Nil	Nil	Nil
	By Corporation following change of control	Nil	Nil	Nil	Nil
<b>Steve Kantor</b>	By Corporation for just cause	Nil	Nil	Nil	Nil
	By Corporation without just cause	\$145,833 14 Months	Nil	Nil	\$145,833
	By Mr. Kantor	Nil	Nil	Nil	Nil
	By Corporation following change of control	Nil	Nil	Nil	Nil

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides a summary of securities issued and issuable under all equity compensation plans of the Corporation as at December 31, 2018.

### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders <sup>(1)</sup>	11,843,750	\$0.10	4,739,023
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	11,843,750	\$0.10	4,739,023

1. Outstanding pursuant to the Plan.

### DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION

The Corporation maintains liability insurance for its directors and officers. The annual premium for the insurance is \$18,500 plus \$1,480 PST, no portion of which is payable directly by the individual directors and officers. The aggregate insurance coverage under the policy is limited to \$5 million per claim with a maximum deductible of \$25,000 per claim deductible. No claims have been made or paid to date under the policy.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2018, or has any interest in any material transaction in the current year.

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

Multilateral Instrument 52-110 of the Canadian Securities Administrators (“MI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in the Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

An audit committee charter, the text of which is attached as **Schedule “A”** to this Information Circular, governs the Corporation’s audit committee. The Corporation’s audit committee was composed of two (2) directors at the start of 2018, Sam Geist and Emanuel Gerard. This committee is currently comprised of three (3) directors, Emanuel Gerard, Glenn Myers and Sam Geist. Glenn Myers was appointed to this committee at the June 28, 2018 Board meeting. As defined in MI 52-110, the current members of the audit committee are “independent” within the meaning of MI 52-110.

Since the commencement of the Corporation’s most recently completed financial year, the Corporation’s Board of Directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of MI 52-110, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable the audit committee, on a case by case basis.

In the following table, "audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditors in each of the last two fiscal years, by category, are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2018	\$50,000	\$3,500	\$7,500	Nil
December 31, 2017	\$40,000	\$2,500	\$6,955	Nil

The Corporation is relying on the exemption provided by section 6.1 of MI 52-110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

## STATEMENT OF CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, which came into force on June 30, 2005, set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

**1. Board of Directors** - The Board considers that Messieurs Geist, Gerard, Myers, Orlin and Savage are independent according to the definition of "independence" set out in MI 52-110 as it applies to the Board. The Board considers that Bob MacBean is not independent in that he is an executive officer of the Corporation. The Board facilitates its exercise of independent supervision over management primarily by having a majority of the Board members consist of individuals who are independent of the Corporation.

### **2. Directorships**

The following table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers:

<u>Director</u>	<u>Reporting Issuer</u>
Bob MacBean	iSign Media Corporation

**3. Orientation and Continuing Education** - The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Corporation's business. When required the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.

**4. Ethical Business Conduct** - The directors are required to abide by all relevant regulatory rules and regulations. The Board monitors compliance by requiring directors and officers to declare any conflicts of interest or

any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Board will receive reports from management regarding any allegations of unethical conduct.

**5. Nomination of Directors** - The Board has not adopted any formal policy for the nomination of new directors. The Board relies on each director to identify new candidates for Board nomination based on the needs of the Board.

**6. Compensation** – Other than stock options received by the directors, no non-executive director received any cash or other form of compensation. See “*Executive Compensation - Compensation of Directors*”, above. The Board has a Compensation Committee whose role is discussed in detail in “*Executive Compensation – Compensation Discussion and Analysis*”, above.

**7. Other Board Committees** – There are three standing committees of the Board; The Audit Committee, the Compensation Committee and the Governance Committee.

#### *Audit Committee*

The Audit Committee is responsible for the integrity of the Corporation’s internal accounting and control systems. The Audit Committee receives and reviews the financial statements of the Corporation and makes recommendations thereon to the Board prior to their approval by the full Board. The Audit Committee communicates directly with the Corporation’s external auditors in order to discuss audit and related matters whenever appropriate. This committee is currently comprised of three (3) directors, Emanuel Gerard, Glenn Myers and Sam Geist.

#### *Compensation Approval*

The Corporation’s Compensation committee is currently comprised of two (2) directors, Sam Geist and Glenn Myers. The Compensation Committee makes recommendations to the Board regarding the compensation policies and practices of the Corporation that apply to senior management and the Board.

#### *Governance Committee*

The Corporation’s Governance Committee is currently comprised of two (2) directors, Emanuel Gerard and Paul Orlin. The mandate of the Governance Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing all aspects of the Board’s governance framework to ensure the Board functions in an effective and efficient manner to support the operations of the Corporation and protect its shareholders.

**8. Assessments** - The Board does not have any formal policies to evaluate the effectiveness of the Board, the Audit Committee and the individual directors. The Board may appoint a special committee of directors to evaluate the Board and its committees, assess the contribution of its individual directors, and recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committee of directors to perform such analysis. Some of this function will fall to the Governance Committee being formed following the AGM.

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

The annual report of the Corporation for the fiscal year ended December 31, 2018, including the financial statements for the fiscal year ended December 31, 2018, together with the report of the auditors thereon will be submitted at the Meeting. Receipt at such Meeting of the auditors’ report and the Corporation’s financial statements for the last completed fiscal year will not constitute approval or disapproval of any matters referred to therein.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

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

## AVAILABILITY OF CERTAIN DOCUMENTS

Under NI 54-101, a person or company who wishes to receive interim financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or company is the owner of securities (other than debt instruments) of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed return card, together with the completed form of proxy, in the addressed envelope provided to the Corporation's transfer agent, Equity Transfer & Trust Corporation, 200 University Ave, Suite 400, Toronto Ontario M5H 4H1. The Corporation will maintain a supplemental mailing list of persons and companies wishing to receive interim financial statements.

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Environmental Waste International Inc., 360 Frankcom Street, Ajax, ON L1S 1R5 or (ii) fax to 905-428-8730.

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

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 Environmental Waste International Inc.

DATED this 14<sup>th</sup> day of August 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*"Bob MacBean"*

Bob MacBean  
Chief Executive Officer

## SCHEDULE “A”

### AUDIT COMMITTEE CHARTER

#### **The Audit Committee’s Charter**

##### *Mandate*

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

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

##### *Composition*

The Committee shall be comprised of three directors as determined by the Board of Directors, all of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee are financially literate or will work towards becoming financially literate. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

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

##### *Meetings*

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

#### **i) Documents/Reports Review**

##### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### **ii) External Auditors**

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### *Other*

Review any related-party transaction