

# **tracesafe**

**TraceSafe Inc.**

**Notice of Meeting**

**and**

**Information Circular**

**in respect of an**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**to be held on Tuesday, November 17, 2020**

***INFORMATION CIRCULAR***

**Dated: October 13, 2020**

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.

# tracesafe

## TRACESAFE INC.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the holders of common shares of **TraceSafe Inc.** (the “**Company**”) will be held on **Tuesday, November 17, 2020**, at the hour of **10:30 a.m.** (Pacific time), at the offices located at 1111 Melville Street, Suite 1100, Vancouver, BC, V6E 3V6 for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the year ended December 31, 2019, and the reports of the auditors thereon;
2. To set the maximum number of directors at five (5) and to elect directors of the Company for the ensuing year;
3. To appoint DMCL LLP as auditors for the Company for the ensuing financial year and to authorize the directors to fix their remuneration;
4. To consider, and if thought fit, to pass an ordinary resolution to re-approve the Company’s Stock Option Plan, as more particularly described in the accompanying Information Circular; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Annual General and Special Meeting.

The Company’s board of directors has fixed **October 13, 2020**, as the **record date** for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”), at their offices located on the 9th Floor, 100 University Avenue, Toronto ON M5J 2Y1, or by toll-free fax within North America at 1-866-249-7775 by **10:30 a.m. (Pacific time)** on **November 13, 2020**, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Ontario) before the time and date of any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Annual General Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing or any other person that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

The Company is continuing to monitor the potential impact of the coronavirus (COVID-19) on the upcoming Meeting and may decide to forego the physical Meeting in favor of a virtual-only Meeting or some other alternative depending on the situation. In such event, shareholders will be notified by press release or other means with additional details as soon as reasonably practicable.

**DATED** at Road Town, Tortola, BVI this 13th day of October 2020

**BY ORDER OF THE BOARD OF DIRECTORS**

Yours truly,

(signed) *James Passin*

James Passin  
Chairman of the Board

# TRACESAFE INC.

## INFORMATION CIRCULAR

For the Annual General Meeting of Shareholders to be held on **November 17, 2020**  
As at **October 13, 2020** (unless otherwise indicated)

### SOLICITATION OF PROXIES

This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management (the "Management") of TraceSafe Inc. (the "Company"), for use at the annual general meeting (the "Meeting") of its shareholders (the "Shareholders") of the Company to be held on **Tuesday, November 17, 2020** at the time and place and for the purposes set forth in the accompanying notice of meeting (the "Notice") and at any adjournments thereof. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers, employees or agents of the Corporation. All costs of this solicitation will be borne by the Corporation. The Corporation is not sending proxy-related materials using notice-and-access.

All dollar amounts referenced herein are Canadian Dollars unless otherwise stated.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named as proxy nominees (the "Designated Persons") in the enclosed instrument of proxy (the "Proxy") are directors and/or officers of the Company, or persons designated by them.

**Each Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and represent the Shareholder at the Meeting other than the Designated Persons. To exercise this right, a Shareholder shall strike out the printed names of the Designated Persons in the Proxy and insert the name of its proxy nominee in the blank space provided in the Proxy, or complete another valid instrument of proxy.** Such Shareholder should notify its proxy nominee of the appointment, obtain the proxy nominee's consent to act as proxy nominee and provide instructions to its proxy nominee on how the Shareholder's common shares should be voted. The proxy nominee should bring personal identification to the Meeting.

### EXECUTION AND DELIVERY OF PROXY

An instrument of proxy will not be valid unless signed and dated by the Shareholder giving it or that Shareholder's attorney-in-fact duly authorized in writing, or, in the case of a corporation, signed and dated by an officer or attorney-in-fact duly authorized in writing for the corporate Shareholder. If an instrument of proxy is executed by an attorney-in-fact, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the attorney-in-fact or officer, as the case may be, or a notarised certified copy thereof, should accompany the instrument of proxy.

An instrument of proxy will not be valid unless deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "Transfer Agent"), at its offices located on the 9th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, or by toll-free fax within North America to 1-866-249-7775, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Ontario) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

### VOTING OF PROXY

If instructions as to voting indicated in a Proxy are certain, the common shares represented by a Proxy will be voted or withheld from voting by the Designated Persons in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. **In the absence of certain instructions in a Proxy or other instrument of proxy, it is intended that the common shares represented thereby will be voted in favour of the motions proposed to be made at the Meeting as stated in the Notice and in this Circular.**

The Proxy, when properly signed and delivered, confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified in the Notice or in this Circular or any other matters which may properly come before the Meeting. At the date of this Circular, Management is not aware of any such amendments, variations or other matters. If, however, any amendments, variations or other matters should properly

come before the Meeting, such discretionary authority conferred by a Proxy will be exercised in accordance with the best judgment of the Designated Persons on such matters.

In the case of abstentions from, or withholding of, the voting of common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

## **REVOCATION OF PROXY**

A Shareholder who has given an instrument of proxy may revoke it at any time before it is exercised. The revocation of an instrument of proxy does not affect any matter on which a vote has been taken prior to such revocation.

In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked by an instrument in writing (i) signed by the Shareholder or that Shareholder's attorney-in-fact duly authorized in writing, or, in the case of a corporation, signed by an officer or attorney-in-fact duly authorized in writing for the corporate Shareholder; and (ii) delivered either to the Transfer Agent at the address/fax number set forth above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or to the Chair of the Meeting on the day of the Meeting and prior to the commencement thereof or, in the case of any adjournment or postponement, prior to the reconvening thereof.

An instrument of proxy will also automatically be revoked by either (i) attendance at the Meeting and participation in a poll (ballot) by the Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to herein as a "Beneficial Shareholder") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares (a "Registered Shareholder") can be recognized and acted upon at the Meeting.

**If common shares are listed in an account statement provided to a Shareholder by a broker or another intermediary then in almost all cases those common shares will not be registered in the name of the Shareholder on the records of the Company, but in the name of that broker or intermediary or an agent of the broker or intermediary.** In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms and banks) and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and banks).

**Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.** Applicable regulatory policies require intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Each intermediary and broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker or intermediary or an agent of that broker or intermediary is often similar to the Proxy provided to Registered Shareholders by the Company. Its purpose, however, is limited to instructing the Registered Shareholder (the broker or intermediary or an agent of that broker or intermediary) on how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders, and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy form cannot use that proxy form to vote common shares directly at the Meeting. The proxy form must be returned to Broadridge or the alternative voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker or intermediary (or agent of that broker or intermediary), a Beneficial Shareholder may attend at the Meeting as proxy holder for the Registered Shareholder and vote their common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxy holder for the Registered Shareholder should contact their broker, intermediary or other agent or nominee holder well in advance of the Meeting for instructions.

These security holder materials are being sent to both registered and non-registered owners of the common shares of the Company. If you are a non-registered owner and the Company 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 on your behalf. In this event, by choosing to send these materials to you directly, the Company (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.

**All references to Shareholders in this Circular and the Proxy are to Registered Shareholders unless specifically stated otherwise.**

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

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any proposed nominee for election as a director, or any associate of any such director or officer, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors, except as generally disclosed in this Circular or otherwise particularly described in the disclosure for a matter to be acted upon.

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

The Company has determined **October 13, 2020** as the record date (the "Record Date") for purposes of determining the persons entitled to notice of and to vote at the Meeting. The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at the close of business on the Record Date, there were **35,441,271** common shares issued and outstanding and nil preferred shares issued and outstanding.

Each common share carries, on any poll at the Meeting, one vote. Only registered holders of common shares as at the close of business on the Record Date will be entitled to receive notice of and to vote their common shares so shown on the register of the Company as at the close of business on the Record Date, at the Meeting. See also "*Advice to Beneficial Shareholders*", above.

The common shares are listed on the Canadian Securities Exchange (the "CSE").

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns or exercises control or direction over, directly or indirectly, common shares carrying 10% or more of the voting rights attached to the outstanding common shares of the Company on the Record Date, other than as set forth below:

Name <sup>(1)</sup>	Approximate no. of common shares owned, controlled or directed	Percentage of Issued and Outstanding Shares <sup>(2)</sup>
James Passin	6,280,268 <sup>(3)</sup>	17.72%

(1) The majority of the common shares are held by the CDS & Co., an intermediary, and as such Management is unaware of the beneficial holders thereof. The above information is based upon information supplied by the Company's registrar and transfer agent and the Company's Management.

(2) Based on 35,441,271 common shares outstanding on the Record Date.

(3) Disclosed holding is controlled by James Passin, a director of the Company, who has direct control of 6,221,504 common shares and indirect control and direction of (i) 12,625 common shares held by Passin Management Limited Partnership, and (ii) 46,139 common shares held by FG2 Advisors LLC.

## **STATEMENT OF EXECUTIVE COMPENSATION**

Unless otherwise noted the following information is for the Company's last completed financial year ended December 31, 2019.

For the purpose of the Circular:

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

A Named Executive Officer ("NEO") of the Company means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Company;
- (b) a chief financial officer ("CFO") of the Company; and
- (c) each of the Company's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, at the end of, or during, the most recently completed financial year if their individual total compensation was more than \$150,000 for that financial year, including individuals who would be an NEO under this paragraph but for the fact that he or she was not acting in such capacity at the end of the financial year.

As of the fiscal year ended December 31, 2019, the Company had two NEOs, namely (i) Mr. Wayne Lloyd who was appointed as President and CEO on April 18, 2018; and (ii) Mr. Alan Tam, who was appointed as Chief Financial Officer of the Company on August 2, 2017.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

### **Compensation Discussion and Analysis**

#### ***Philosophy and Objectives***

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to attract and retain highly qualified management;
- to align executive compensation with shareholders' interests;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

The Company's executive compensation program comprises three elements: base salary, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized infrastructure development and construction companies. Generally, the Company targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk and relies heavily on the award of stock options. The design takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support the Company's long-term growth strategies. Due to the early stage of the Company's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, the Company does not enter into long-term commitments with its officers.

The board of directors of the Company (the “Board”) has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

#### *Role of the Compensation Committee*

The Compensation Committee was established on July 9, 2012 by the Board to assist in fulfilling the Board's responsibilities relating to compensation issues and to establish a plan of continuity for executive officers. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance by executive officers of a quality and nature that will enhance the sustainable profitability and growth of the Company.

The Compensation Committee reviews and recommends the compensation philosophy and guidelines for the Company which includes reviewing compensation for executive officers for recommendation to the Board.

The Compensation Committee reviews, on an annual basis, the cash compensation, performance and overall compensation package for each executive officer. It then submits its recommendations to the Board with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer.

In making its recommendations in fiscal 2019, the Compensation Committee was satisfied that all recommendations complied with the Compensation Committee's philosophy and guidelines.

#### *Composition of the Compensation Committee*

As of December 31, 2019, the Compensation Committee was comprised of three of the Company's five Directors: James Passin, Gregory Kallinikos and Jeremy Gardner. The Compensation Committee determines the compensation for the Corporation's management and executive officers.

#### **Director and NEO Compensation, Excluding Compensation Securities**

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and the directors for the three fiscal years ended December 31, 2019, 2018 and 2017.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees <sup>1</sup> (US\$)	Value of perquisite s (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Wayne Lloyd <sup>(1)</sup> CEO, Director	2019	90,540	Nil	Nil	Nil	90,540	90,540
	2018	68,971	Nil	Nil	Nil	41,906	110,877
Alan Tam <sup>(2)</sup> CFO	2019	55,757	Nil	Nil	Nil	55,756	55,756
	2018	56,033	Nil	Nil	Nil	14,966	70,999
	2017	25,398	Nil	Nil	Nil	Nil	25,398
James Passin <sup>(3)</sup> Chair, Director	2019	42,000	Nil	Nil	Nil	42,000	42,000
	2018	Nil	Nil	Nil	Nil	29,933	29,933
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Donald Padgett <sup>(4)</sup> Director	2019	3,500	Nil	Nil	Nil	3,500	3,500
	2018	48,000	Nil	Nil	Nil	23,946	71,946
	2017	60,000	Nil	Nil	Nil	Nil	60,000
Gregory Kallinikos <sup>(5)</sup> Director	2019	42,000	Nil	Nil	Nil	42,000	42,000
	2018	31,500	Nil	Nil	Nil	17,960	49,460
Jeremy Gardner <sup>(6)</sup> Director	2019	42,000	Nil	Nil	Nil	42,000	42,000
	2018	31,500	Nil	Nil	Nil	17,960	49,460

(1) Mr. Lloyd was appointed as director on April 9, 2018 and as CEO on April 18, 2018. As at December 31, 2019, \$7,591 in payables or accruals were due to Mr. Lloyd. Mr. Lloyd is being paid in CAD.

- (2) Mr. Tam was appointed CFO of the Company on August 2, 2017. As at December 31, 2019, \$5,314 in payables or accruals were due to Mr. Tam. Mr. Tam is being paid in CAD.
- (3) Mr. Passin was appointed as a director on November 14, 2011. As at December 31, 2019, \$3,500 in payables or accruals were due to Mr. Passin.
- (4) Mr. Padgett was appointed as director on November 14, 2011. As at December 31, 2019, \$Nil (\$91,798 – 2018) in payables or accruals were due to Mr. Padgett. Mr. Padgett is being paid in US\$.
- (5) Mr. Kallinikos was appointed as Director on April 9, 2018. As at December 31, 2019, \$24,500 in payables was due to Mr. Kallinikos. Mr. Kallinikos was paid in US\$.
- (6) Mr. Gardner was appointed as a director on April 9, 2018. As at December 31, 2019, \$24,500 in payables was due to Mr. Gardner. Mr. Gardner was paid in US\$.

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

There were no compensation securities granted or issued to the Company's NEOs or directors of the Company in the most recently completed financial year for services provided to the Company.

During the financial year ended December 31, 2019:

- Mr. Lloyd held 350,000 stock options exercisable at \$0.20 until October 15, 2023.
- Mr. Tam held 125,000 stock options exercisable at \$0.20 until October 15, 2023.
- Mr. Passin held 250,000 stock options exercisable at \$0.20 until October 15, 2023.
- Mr. Padgett held stock options exercisable as follows: 200,000 exercisable at \$0.20 until October 15, 2023 and 5,000 exercisable at \$2.00 until December 3, 2020.
- Mr. Kallinikos held 150,000 stock options exercisable at \$0.20 until October 15, 2023.
- Mr. Gardner held 150,000 stock options exercisable at \$0.20 until October 15, 2023.

#### ***Exercise of Compensation Securities by Directors and NEOs***

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended December 31, 2019.

#### ***Stock Option Plan and Other Incentive Plans***

As at the end of the most recently completed fiscal year ended December 31, 2019, there were 1,512,500 options outstanding. Based on the Company having an outstanding share capital of 22,238,031 common shares issued and outstanding, an additional 711,303 options could be granted under the Plan.

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

#### ***Employment, Consulting and Management Agreements***

During the most recently completed financial year, the significant terms of the employment agreement or arrangement for each Director and NEO is as follows:

- Mr. Wayne Lloyd did not have a compensation arrangement with the Company but invoices the Company CDN\$10,000 on a monthly basis for management and CEO services performed. Mr. Lloyd provided his services through a privately held company controlled by Mr. Lloyd. Subsequent to the end of the most recently completed financial year, Mr. Lloyd's compensation was increased to \$12,000 per month, pursuant to a consulting agreement dated January 15, 2020.
- Mr. Tam did not have a compensation arrangement with the Company but invoices the Company on a monthly basis for management and CFO services performed through a privately company controlled by Mr. Tam.
- Mr. Kallinikos did not have any compensation arrangement with the Company. He was paid US\$3,500 on a month by month basis for director fees.
- Jeremy Gardner did not have any compensation arrangement with the Company. He was paid US\$3,500 on a month by month basis for director fees.
- Mr. Passin did not have any compensation arrangement with the Company. He was paid US\$3,500 on a month by month basis for director fees. Subsequent to the end of the most recently completed financial year, Mr. Passin entered into a consulting agreement with the Company dated January 15, 2020, that provided for monthly compensation of US\$3,500.
- Mr. Padgett did not have any compensation arrangement with the Company.

### **Pension Plan Benefits**

The Company has no pension, defined benefit or defined contribution plans in place.

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

The Company has no compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year other than the Plan.

The following table sets forth information with respect to the Plan as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans [excluding securities reflected in column (a)]
Equity compensation plans approved by security holders <sup>(1)</sup>	1,512,500	\$0.21	711,303
Equity compensation plans not approved by security holders	0	N/A	N/A
Total	1,512,500	\$0.21	711,303

(1) Refers to the "rolling" Stock Option Plan of the Company, which was adopted on July 15, 2019, and pursuant to which directors, officers, employees and consultants may be granted options to acquire common shares as an incentive mechanism to foster their interest in the success of the Company and to encourage their proprietary ownership of the Company.

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

Except as disclosed below, none of the individuals who are, or at any time during the most recently completed year were, directors or executive officers of the Company or any subsidiary thereof, the proposed nominees for election as a director, or associates of such persons, is or has been indebted to the Company (other than routine indebtedness) at any time since the beginning of the most recently completed financial year, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary thereof.

During the year ended December 31, 2019, the Company issued new loans in the amount of \$264,000. These loans were unsecured, have a term of interest at 6.5% per annum, are due to mature one year from their respective date of issuance and at the option of the holder, and are convertible into common shares of the Company at a Conversion Price of \$0.60 per common share provided that the Company complete a private placement or public offering of equity securities prior to the maturity date at prices lower than \$0.60 the lowest price such equity securities are offered under such private placement or public offering. Subsequent to the issuance of these loans payable, the Company issued 899,847 shares for the conversion of \$264,000 convertible notes. Of the three holders who converted their notes, one is a director of the Company. James Passin participated in the convertible loan by subscribing with \$50,000 cash and converting \$84,000 in debt for a total of \$134,000 in convertible loans.

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

Except as disclosed elsewhere herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Circular, an "informed person" means: (i) a director or officer of the Company; (ii) a director or officer of a person or company that is itself an informed person; or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company.

## **MANAGEMENT CONTRACTS**

The management functions of the Company and any subsidiary thereof are not, to any substantial degree, performed by any person other than the directors and executive officers of the Company or any subsidiary thereof.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 Audit Committees of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the charter for the Audit Committee of our Board, attached to this Circular as Schedule “A”.

The Audit Committee’s primary function is assisting the Board in fulfilling its oversight responsibilities to shareholders. The Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding corporate assets, reliability of financial information, and compliance with policies and laws, as well as serving as an independent and objective party to liaise with the external auditor, independent of Management, and to monitor preparation of financial statements and other financial information.

### **Audit Committee Members**

As at December 31, 2019, Gregory Kallinikos, James Passin and Jerry Gardner were members of the Company’s Audit Committee. Gregory Kallinikos, James Passin and Jerry Gardner are considered “independent” applying the guidelines contained in applicable securities legislation and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements.

### **Relevant Education and Experience**

All of the Audit Committee members are business people with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, internal controls and procedures necessary for financial reporting, which experience has been garnered from working in their individual fields of endeavour.

Biographies of each of the members and proposed members of the Audit Committee can be found under Election of Directors on page 11 of this Circular.

### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in section 2.4 of N 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditor for the fiscal periods ending December 31, 2019 and 2018 are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2019	\$18,000	Nil	Nil	Nil
December 31, 2018	\$20,000	Nil	Nil	Nil

(1) The aggregate fees billed or anticipated to be billed by the Company's auditor for audit fees.

(2) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(3) Fees charged for tax compliance, tax advice and tax planning services.

(4) Fees for services other than disclosed in any other column.

### **Exemption**

The Company is relying upon the exemption in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### **CORPORATE GOVERNANCE DISCLOSURE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Company of its corporate governance practices. The following information has been prepared and provided as required by NI 58-101.

#### **Board of Directors**

The Board facilitates its exercise of independent supervision over the Management through frequent communication with Management.

In accordance with NI 52-101, a director is considered "independent" if he or she has no direct or indirect "material relationship" with the Company, being a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment, subject to certain specified circumstances where an individual is considered to have a material relationship.

#### **Directorships**

The directors listed below are presently directors of a reporting issuer (or equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

Director	Directorship in other Reporting Issuer(s)
James Passin	BioVaxys Technology Corp. (CSE:BIOV) BDSec Joint Stock Company (MSE:BDS)

#### **Orientation and Continuing Education**

Each new director brings a different background and skill set and with this information the Board determines what orientation as to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as such need arises and encourages open discussion at all meetings which facilitates participation and open learning by the directors.

#### **Ethical Business Conduct**

The Board expects Management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals, and Management is encouraged to discuss with the Board any perceived or potential issues in ethical business conduct.

In addition, the Board must comply with conflict of interest provisions of applicable corporate, securities and common law, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

Individual directors identify new nominees to the Board based on perceived or potential requirements for particular knowledge or skills. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer of the Company.

### **Compensation**

As of December 31, 2019, the Compensation Committee was comprised of James Passin (chair), Gregory Kallnikos and Jeremy Gardner. Compensation Committee Charter attached as Schedule "B" to this Circular.

The Board reviews, as needed, compensation to directors and to officers with respect to industry comparables and with regards to the particular circumstances of the Company and its financial position.

### **Other Board Committees**

The Company has no standing committees other than the Audit Committee and the Compensation Committee.

### **Assessments**

The Board collectively conducts and reviews informal annual assessments of the effectiveness of the Board, its individual committees, and its individual directors.

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

### **FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

The audited financial statements of the Company for the year ended December 31, 2019, together with the Auditor's Report thereon, (the "Financial Statements") will be presented to Shareholders at the Meeting. The Company's Financial Statements, together with the Auditor's Report thereon and the management discussion and analysis have been mailed to Shareholders who completed and returned the request form included with last year's meeting materials and are otherwise available with the Company's disclosure material on SEDAR at [www.sedar.com](http://www.sedar.com).

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of Shareholders or until their successors are duly elected or appointed, unless an office is earlier vacated by death or by resignation or removal in accordance with the BVI Business Companies Act and the Memorandum and Articles of Association of the Company.

Management recommends, and the Designated Persons, if named as proxy, intend to vote in favour of, a resolution **fixing the number of directors for the ensuing year at five**. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of such resolution.

The following table sets out required information, as at the Record Date, regarding Management's nominees for election as a director. Management does not contemplate that any of its nominees will be unable to serve as a director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity and except as generally disclosed in this Circular or otherwise under the heading for the matter to be acted upon. The Company has not received notice of, and Management is not aware of, any proposed nominee for director other than Management's nominees.

Name, Province/State and Country of ordinary residence <sup>(1)</sup> , and positions held with the Company	Principal occupation and, IF NOT elected to present term of office, principal occupation for the past five years <sup>(1)</sup>	Period(s) serving as Director	Common shares beneficially owned or controlled or directed <sup>(2)</sup>
<b>JAMES PASSIN</b> New York, USA Director	CEO, BioVaxys Technology Corp.	Sep 30, 2020 to present	6,280,268 <sup>(3)</sup>
	Principal of FGS Advisors LLC; Director of FGMF, FGMF2, Firebird Mongolia, and Firebird New Mongolia	Nov 14, 2011 to present	
<b>JEREMY L. GARDNER</b> California, USA Director	Co-founder and managing partner of Ausum Ventures, a venture firm investing in blockchain technology. Co-founder of Augur, a decentralized prediction market platform, and led the Augur ICO. In 2014, founded Blockchain Education Network (BEN), a global educational nonprofit. In 2016, founded SAAVHA, a corporate cybersecurity company.	April 9, 2018 to present	280,682
<b>WAYNE LLOYD</b> British Columbia, Canada President, CEO & Director	Founder of financial analytics firm Market Memory, providing data analytics to large commodity traders; Active investor, advisor, and board member to several fintech and cryptocurrency startups; CFA Charterholder.	April 9, 2018 to present	1,080,000
<b>GREGORY KALLINIKOS</b> Singapore Director	Deputy CEO, Asia for StoneX Group Inc. since Feb 2018. Senior financial services executive with investment banking background	April 9, 2018 to present	36,820
<b>DONALD PADGETT</b> British Columbia, Canada Director	Mining executive; corporate finance and investment banking executive; director and officer of several public companies	Nov 14, 2011 to present	47,294

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

(2) The information as to common shares beneficially owned directly or indirectly or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.

(3) James Passin has direct control of 6,221,504 common shares and indirect control and direction of (i) 12,625 common shares held by Passin Management Limited Partnership, and (ii) 46,139 common shares held by FG2 Advisors LLC.

### ***Biography for Directors***

**James Passin** is a former hedge fund and private equity fund manager at FGS Advisors, LLC, an affiliate of New York-based Firebird Management LLC. Mr. Passin is a director of several public companies, including BDSec JSC and BioVaxys Technology Corp. of which he is also a co-founder and CEO. He is a Chartered Market Technician and member of the CMT Association. Mr. Passin attended St. John's College (Annapolis, Maryland) and has a B.A. in Philosophy and Classical Literature. He is a Graduate of the Listed Company Director Program from the Singapore Institute of Directors. Mr. Passin is a recipient of the Friendship Medal, one of the highest honors awarded by the Mongolian state to foreign citizens.

**Donald Padgett** is an experienced senior management leader with a proven track record of developing and executing successful strategies for profitable international business ventures. He has served as Chairman, President and director of several public and private companies. Mr. Padgett has also enjoyed a successful investment banking career in senior management positions including: Managing Director of the investment banking group at Canaccord Financial Ltd.'s Western Canadian office and more than 10 years as a senior member of the Investment Banking Group at Burns Fry, now Nesbitt Burns. Mr. Padgett holds a law degree from Dalhousie University, an MBA from McMaster and a BSc from University of Toronto.

**Jeremy Gardner** is currently the managing partner at Ausum Ventures, the only hybrid venture and hedge fund comprised of early-stage start-ups and crypto-assets for social good. Jeremy founded Blockchain Education Network (BEN) in 2014 while attending the University of Michigan, which has become a renowned global educational non-profit organization. He left his studies at the University of Michigan to co-found Augur, the decentralized prediction market platform and lead their ICO - the first ever on Ethereum and first "utility token". In 2016, he founded SAAVHA, a corporate cybersecurity company, while working as an entrepreneur-in-residence at Blockchain Capital, where he sourced over a half dozen investments and helped structure the firm's landmark security token ICO (ticker: BCAP). Jeremy has served as the founding editor-in-chief of Distributed magazine. He advises some of the top start-ups in the industry and is often cited in the press surrounding blockchain technology.

**Wayne Lloyd** is an entrepreneur and technology executive with extensive capital markets experience. Wayne is the Chief Executive Officer of Tracesafe Inc. and founder of Consensus Core, and has experience in scaling startups, special situation investing and completing complex M&A transactions in the technology sector. Wayne has helped raise millions in capital to grow businesses and has a proven track record of attracting world class talent to startup ventures. Wayne earned a CFA Charterholder designation in 2015.

**Gregory Kallinikos** is a senior management executive with broad international financial services experience. His areas of expertise include mergers and acquisitions, corporate and business development, strategic planning, and business digitization. He is Deputy Chief Executive Officer - Asia for StoneX Group Inc., a Fortune 500, NASDAQ listed diversified financial services firm. He is based in Singapore and is responsible for running the Asia Pacific region for StoneX, which includes offices in Singapore, Hong Kong, Shanghai and Sydney.

#### ***Corporate Cease Trade Orders, Bankruptcies and Penalties and Sanctions***

For purposes of the disclosure in this section, an "order" means 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, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to the directors or executive officers of the relevant company that was in effect for a period of more than 30 consecutive days.

Except as disclosed below, none of the proposed Management nominees for election as a director of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director 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 proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to 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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

On May 5, 2017, the Ontario Securities Commission (the "OSC") issued a cease trade order (the "CTO") under the securities legislation of Ontario that all trading in the securities of the Company cease until the Company filed its (i) audited annual financial statements for the year ended December 31, 2016, (ii) management's discussion and analysis for the year ended December 31, 2016 and (iii) certification of the annual filings for the year ended December 31, 2016, as required by applicable securities legislation.

On August 2, 2017, the Company filed its audited annual financial statements and management's discussion and analysis, along with the CEO and CFO certifications of the annual filings for the year ended December 31, 2016, and paid the applicable filing fees, as required by applicable securities legislation. On August 10, 2017, the Company filed its interim financial report and management's discussion and analysis, along with the CEO and CFO certifications of the interim filings for the period ended March 31, 2017, as required by applicable securities legislation.

On February 2, 2018, the Company obtained an order from the Ontario Securities Commission revoking the CTO. As a condition of revoking the CTO, the Ontario Securities Commission requested that the Company undertake not to complete a restructuring transaction, significant acquisition or reverse takeover of a business not located in Canada

unless the Company first receives a receipt for a final prospectus in respect of such business. The Company has given such undertaking.

Mr. Padgett is President, CEO and Director of Vanoil Energy Ltd., a Canadian public company, which is subject to a cease trade order issued by the BCSC on February 3, 2017 for failure to file audited annual financial statements for the year ended September 30, 2016. Such cease trade order remains in effect.

Mr. Passin was Chairman and Director of Vanoil Energy Ltd., a Canadian public company, from December 10, 2009 to September 20, 2017, which is subject to a cease trade order issued by the BCSC on February 3, 2017 for failure to file audited annual financial statements for the year ended September 30, 2016. Such cease trade order remains in effect.

### **Recommendation**

Management recommends, and the Designated Persons, if named as proxy, intend to vote in favour of, the election of Management's nominees for election as a director. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of such election.

### **APPOINTMENT OF AUDITOR**

At the Meeting, shareholders will be asked to reappoint Dale Matheson Carr-Hilton Labonte LLP ("DMCL LLP"), Chartered Professional Accountants, of Vancouver, British Columbia as auditor of the Company for the next ensuing year at remuneration to be fixed by the Board. DMCL LLP, Chartered Professional Accountants, was first appointed as the auditor of the Company by the Board on July 27, 2017.

**The Board recommends that shareholders vote in favour of the appointment of DMCL LLP, Chartered Professional Accountants, as the Company's auditors at remuneration to be fixed by the Board.**

### **RE-APPROVAL AND RATIFICATION OF STOCK OPTION PLAN**

At the annual meeting of shareholders of the Company held on July 15, 2019, the shareholders ratified, confirmed and re-approved a stock option plan (the "Option Plan") which reserves for issuance upon the grant of stock options a rolling maximum of 10% of the number of common shares issued and outstanding on the applicable date of grant. The Option Plan authorizes the Board to issue options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Company.

Under the Option Plan, the aggregate number of common shares issuable upon exercise of options granted thereunder may not exceed 10% of the total number of outstanding common shares at the time the options are granted. Further, the aggregate number of common shares issuable upon the exercise of the options granted thereunder to any one individual may not exceed 5% of the total number of outstanding common shares of the Company. Options issued pursuant to the Option Plan must have an exercise price not less than that from time to time permitted by the stock exchange on which the common shares are then listed. The period during which an option may be exercised shall be determined by the Board at the time the option is granted, subject to any vesting limitations which may be imposed by the Board at the time such option is granted, provided no option shall be exercisable for a period exceeding ten years from the date the option is granted.

The options granted under the Option Plan expire on the earlier of the date of the expiration of the option period noted above and in the case of optionees who are directors, officers, employees or consultants must expire within a reasonable period not exceeding one year after the date that a holder ceases to hold the position or positions of director, officer, employee or consultant of the Company, and within 30 days for any optionee engaged in investor relations activities. In the event of the death or permanent disability of a holder, any option previously granted to him shall be exercisable until the end of the option period noted above or until the expiration of 12 months after the date of death or permanent disability of such option holder, whichever is earlier.

In addition to the terms of the Option Plan mentioned above, regulatory policies require approval by the affirmative vote of a majority of the votes cast at the Meeting, other than the votes attaching to the common shares beneficially owned by the insiders of the Company to whom the options may be granted pursuant to the Option Plan, or their associates to the Company if the Company is proposing any of the following:

- (a) decreasing the exercise price of stock options previously granted to insiders;
- (b) issuing to insiders, upon the exercise of stock options, within a one-year period, shares exceeding 10% of the outstanding listed shares; and
- (c) issuing to any one insider and such insider's associates, upon the exercise of stock options, within a one-year period, shares exceeding 5% of the outstanding listed shares.

The Company requires disinterested shareholder approval for the actions mentioned above; otherwise, a majority of shareholders suffices to renew the Option Plan.

A copy of the Option Plan will be available for Shareholders to review at the Meeting. Shareholders may also obtain a copy by contacting the Company's Secretary at 604 283-2339 x 702 or by email at ba@TraceSafe.io.

At the Meeting, Shareholders will be asked to pass a resolution in the following form:

**"UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."**

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Plan.**

#### **OTHER MATTERS**

Management of the Company knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matter(s) which are not known to management of the Company shall properly come before the Meeting, the proxy given pursuant to the solicitation by management of the Company will be voted on such matter(s) in accordance with the best judgment of the person(s) voting the proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.tracesafe.io](http://www.tracesafe.io). Copies of the Company's financial statements and management's discussion and analysis may be obtained, without charge, upon sending a written request to the Company at Sea Meadow House, Blackburne Hwy, P.O. Box 116, Road Town, Tortola , VG 1110 British Virgin Islands, Attention: Alan Tam, or by email request to [alan@tracesafe.io](mailto:alan@tracesafe.io).

#### **APPROVAL OF CIRCULAR**

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

Dated: October 13, 2020

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

(signed) James Passin  
Chairman of the Board

## SCHEDULE "A"

### TRACESAFE INC.

#### CHARTER OF THE AUDIT COMMITTEE

##### Purpose of the Committee

The purpose of the Audit Committee (the "Audit Committee") of the Board is to provide an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's Articles and governing laws as the Audit Committee or the Board deems necessary or appropriate.

1. Members. The Board of Directors will appoint an Audit Committee of at least three (3) members, all of whom should be "independent" directors of the Board. "Independent" means a director who meets the definition of "independence" under National Instrument 52-110 or any successor policy promulgated by securities regulatory authorities.

All members of the Audit Committee should be "financially literate". An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Each appointed member of the Audit Committee shall be subject to annual reconfirmation and may be removed by the Board of Directors at any time.

2. Purposes, Duties, and Responsibilities. The Audit Committee represents the Board of Directors in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and audit activities and legal compliance of the Company and its subsidiaries; however, the Audit Committee's function shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the independent accountants relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) Recommend to the Board the appointment (including terms of appointment such as compensation and scope of duties) and discharge the external auditor of the Company (the "auditor") who perform the annual audit or other audit, review or attest services in accordance with applicable securities laws, which auditor shall be ultimately accountable to the Board of Directors through the Audit Committee. The auditor of the Company must report directly to the Audit Committee;
- (b) Have the authority to communicate directly with the auditor of the Company;
- (c) Review with the auditor the scope of the audit and the results of the annual audit examination by the auditor and any reports of the auditor with respect to reviews of interim financial statements or other audit, review or attest services. The Audit Committee will be responsible for resolving any disagreements between management and the auditor regarding financial reporting;
- (d) Review information, including written statements, if any, from the auditor concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor and assess the independence of the auditor;
- (e) Review and discuss with management and the auditor the Company's annual audited financial statements prior to their public disclosure, including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles;
- (f) Review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;

- (g) Review the services to be provided by the auditor to assure that the auditor does not undertake any engagement for services for the Company that would constitute prohibited services under applicable securities laws under the rules of any stock exchange or trading market on which the Company's shares are listed for trading, or could be viewed as compromising the auditor's independence. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the auditor;
- (h) Review with management and the auditor the results of any significant matters identified as a result of the auditor's interim review procedures prior to the filing of each quarterly financial statements or as soon thereafter as possible;
- (i) Review the annual program for the Company's internal audits, if any, and review audit reports submitted by the internal auditing staff, if any;
- (j) Periodically review the adequacy of the Company's internal controls;
- (k) Review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditor that may have a significant impact on the Company's financial reports, and make comments on the foregoing to the Board of Directors;
- (l) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and formal external auditor of the issuer;
- (m) Periodically review the adequacy of this Audit Committee Charter;
- (n) Make reports and recommendations to the Board of Directors within the scope of its functions;
- (o) Approve material contracts where the Board of Directors determines that it has a conflict;
- (p) Establish procedures for receipt, retention and treatment of complaints received by the Company regarding auditing, internal accounting controls or accounting matters and establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (q) Where considered necessary by the Audit Committee to carry out its duties, have the authority to engage independent counsel and/or other advisors at the Company's expense upon the terms and conditions, including compensation, determined by the Audit Committee;
- (r) Satisfy itself that management has put into place procedures that facilitate compliance with the disclosure and financial reporting controls provisions of applicable securities laws, including adequate procedures for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements. The Audit Committee will assess the adequacy of these procedures annually;
- (s) Review all loans to officers;
- (t) Review and monitor all related party transactions which may be entered into by the Company as required by rules of the stock exchange or trading market upon which the Company's shares are listed for trading; and
- (u) Ensure all public disclosure regarding the audit committee is made in compliance with applicable stock exchange rules and securities legislation.

3. **Meetings.** The Audit Committee will, when expedient, meet to review the Company's quarterly and annual financial statements and MD&A, and will hold special meetings as it deems necessary or appropriate in its judgment. The Audit Committee will endeavour to meet at any time that the auditor believes that communication to the Audit Committee is required. As it deems appropriate, but not less than once each year, the Audit Committee will meet in private session with the independent accountants. The majority of the members of the Audit Committee constitute a quorum and shall be empowered to act on behalf of the Audit Committee. The members of the Audit Committee will designate one member as chair. Meetings may be held in person or by telephone, and shall be at such times and places as the Audit Committee determines.

## **SCHEDULE “B”**

### **TRACESAFE INC. Compensation Committee Charter**

#### **OVERALL ROLE AND RESPONSIBILITY**

The Compensation Committee (the “Committee”) shall assist the Board of Directors in its oversight role with respect to:

- (i) the Company’s global human resources strategy, policies and programs; and
- (ii) all matters relating to proper utilization of human resources within the Company, with special focus on management succession, development and compensation.

#### **MEMBERSHIP AND MEETINGS**

The Committee shall consist of three or more Directors appointed by the Board of Directors, a majority of whom shall be independent and unrelated to the Company and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Company) or employees of the Company or any of the Company’s affiliates.

Each of the members of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Company, the applicable stock exchanges on which the Company’s securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Committee as the Committee Chair. Members of the Committee shall serve at the pleasure of the Board of Directors for such term or terms as the Board of Directors may determine.

#### **STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Committee shall meet as often as required, but not less frequently than annually. The Committee shall report to the Board of Directors on its activities after each of its meetings.

The Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

#### **SPECIFIC DUTIES**

##### **Succession and Review**

- Review succession and leadership plans and make appropriate recommendations to the Board of Directors periodically regarding the remuneration of the Company’s senior officers.
- Review periodically the assessment of the performance of senior officers as provided to the Committee by the Chief Executive Officer.

##### **Remuneration**

- Establish an overall compensation policy for the Company and monitor its implementation, with special attention devoted to the executive group.
- Review and make recommendations to the Board of Directors periodically regarding the Company’s

remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans, executive Option Plans and grants and benefit plans (including the group life and health program).

- Review and approve periodically all compensation arrangements with the senior executives of the Company other than the President and Chief Executive Officer.
- Review the executive compensation sections disclosed in the annual Proxy Circular distributed to shareholders, including the Statement of Executive Compensation, Compensation Discussion and Analysis, Summary Compensation Table, Employment Contracts, Long-Term Incentive Plans, Option Based Awards, Incentive Plan Awards, Pension Plan Benefits, Director Compensation, Termination and Change of Control Benefits, and Indebtedness of Directors and Senior Officers.
- Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

#### **INDEPENDENT ADVISORS**

The Committee shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Company.