

**BLUMETRIC ENVIRONMENTAL INC.**  
**1682 Woodward Drive, Ottawa, Ontario, K2C 3R8**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of the Shareholders (the “Meeting”) of BluMetric Environmental Inc. (the “Corporation”) will be held at the Homewood Suites by Hilton, 3605 Paul Anka Drive, Ottawa, Ontario, K1V 2S6 on Wednesday, March 24, 2021 at 1:00 p.m. (EDT) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended September 30, 2020 and the auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint PricewaterhouseCoopers LLP as the auditor of the Corporation and to authorize the board of directors to fix their remuneration; and
4. to transact such further or other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice are the management proxy circular containing details of the matters to be dealt with at the Meeting, the audited financial statements of the Corporation for the financial year ended September 30, 2020 together with management’s discussion and analysis thereon, to shareholders who requested them, and a form of proxy.

**In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are strongly encouraged NOT to attend the Meeting in person.**

**The Corporation encourages all shareholders to vote on the matters before the Meeting by proxy in accordance with the instructions set out below and to join the Meeting by teleconference. Participants can listen to the Meeting but will not be permitted to vote at the Meeting unless the participant attends the Meeting in person.**

**Details to access the Meeting by teleconference are as follows:**

**Date and Time: Wednesday, March 24, 2021 at 1:00 pm (EDT)**  
**Dial-in Numbers: Toll free at 1-866-830-9436 Access Code: 21120583**

**Participants should dial in approximately 5 to 10 minutes prior to the scheduled start time.**

The Corporation reserves the right to take any further precautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) changing the Meeting date and/or changing the means of holding the Meeting; and (ii) such other measures as may be recommended by public health authorities. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Corporation will not prepare or mail an amended Circular, Notice of Meeting or related proxy.

**The Board of Directors urges you to complete, sign, date and return the enclosed proxy of the Corporation at its office set out above or to Computershare Investor Services, 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or by internet as soon as possible. If your shares are held in the name of a broker or nominee (beneficial holders), you must provide voting instructions to the broker or nominee for your shares to be represented at the meeting.**

**Please return your proxy by 1:00 pm (EDT) on Monday, March 22, 2021 or if the meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to when the adjournment thereof is to be held, or your proxy may be deposited with the Chair of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.**

In order to be represented by proxy at the Meeting you must complete and submit the enclosed Form of Proxy or other appropriate form of proxy.

Dated at Ottawa, Ontario, this 18<sup>th</sup> day of February, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Vivian Karaiskos*  
Secretary

**BLUMETRIC ENVIRONMENTAL INC.  
1682 Woodward Drive  
Ottawa, Ontario  
K2C 3R8**

**MANAGEMENT PROXY CIRCULAR**

**For the Annual Meeting of Shareholders to be held at 1:00 p.m. (EDT) on  
Wednesday, March 24, 2021 at**

**Homewood Suites by Hilton, 3605 Paul Anka Drive, Ottawa, Ontario, K1V 2S6**

**SOLICITATION OF PROXIES**

This management proxy circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of BluMetric Environmental Inc. (the “Corporation”) for use at the Annual Meeting of Shareholders of the Corporation (the “Meeting”) to be held at 1:00 p.m. (EDT) on March 24, 2021 at the Homewood Suites by Hilton, 3605 Paul Anka Drive, Ottawa, Ontario, K1V 2S6 for the purposes set forth in the attached Notice of Meeting (the “Notice”). It is anticipated that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers, employees or representatives of the Corporation. The cost of such solicitation will be borne by the Corporation. The information contained herein is given as at February 17, 2021, unless otherwise indicated.

**In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Corporation’s shareholders, employees, communities and other stakeholders, meeting participants are strongly encouraged NOT to attend the Meeting in person.**

**The Corporation encourages all shareholders to vote on the matters before the Meeting by proxy in accordance with the instructions set out below and to join the Meeting by teleconference. Participants can listen to the Meeting but will not be permitted to vote at the Meeting unless the participant attends the Meeting in person.**

**Details to access the Meeting by teleconference are as follows:**

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Dial-in Numbers: Toll free at 1-866-830-9436  
Access Code: 21120583**

**Participants should dial in approximately 5 to 10 minutes prior to the scheduled start time.**

**VOTING AND DISCRETION OF PROXIES**

On any ballot that may be called for, the common shares of the Corporation (the “Common Shares”) represented by proxies in favour of the persons named by management of the Corporation will be voted for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote (a) FOR the election of management’s nominees as directors, and (b) FOR the appointment of management’s nominee as auditor and the authorization of the directors to fix the remuneration of the auditor.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters identified in the Notice or any other matters that may properly come before the Meeting. As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice.

## **APPOINTMENT OF PROXIES**

Each shareholder has the right to appoint a person other than the persons designated in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation before the time of the Meeting or any adjournment thereof. If a shareholder of the Corporation appoints a person other than the persons designated in the enclosed form of proxy to represent him, such person will vote the shares in respect of which he is appointed proxy-holder in accordance with the direction of the shareholder appointing him. In the absence of such direction, such person may vote such shares at his discretion. It is the responsibility of the shareholder appointing some other person to represent him to inform such person that he has been appointed.

## **VOTING INSTRUCTIONS**

There are two methods by which registered shareholders (“Registered Shareholders”), whose names are shown on the books or records of the Corporation as owning Common Shares, can vote their Common Shares at the Meeting: in person at the Meeting or by proxy. Should a Registered Shareholder wish to vote in person at the Meeting, the form of proxy included with the Circular should not be completed or returned; rather, the Registered Shareholder should attend the Meeting where his or her vote will be taken and counted. Should the Registered Shareholder not wish to attend the meeting or not wish to vote in person, his or her shares may be voted by proxy through one of the methods described below and the shares represented by the proxy will be voted or withheld from voting, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the shares will be voted accordingly.

A Registered Shareholder may vote by proxy by using one of the following methods: (i) the enclosed paper form of proxy to be returned by mail or delivery, (ii) by facsimile, or (iii) by internet. The methods of using each of these procedures are as follows:

*Voting by Mail or Delivery.* A Registered Shareholder may vote by mail or delivery by completing, dating and signing the enclosed form of proxy and depositing it with Computershare Investor Services Inc. (the “Transfer Agent”) using the envelope provided or by mailing or delivering it to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or to the Corporate Secretary of the Corporation at 1682 Woodward Drive, Ottawa, ON K2C 3R8 **for receipt no later than 1:00 p.m. (EDT) on Monday, March 22, 2021**, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Facsimile.* A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 1-866-249-7775. The form of proxy **must be received by no later than 1:00 p.m. (EDT) on Monday, March 22, 2021**, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

*Voting by Internet.* A Registered Shareholder may vote by internet by accessing the following website: [www.voteproxyonline.com](http://www.voteproxyonline.com). When you logon to the site you will be required to input a control number as instructed on the logon page. Please see the additional information enclosed with the Circular. A Registered Shareholder **may vote by internet by no later than 1:00 p.m. (EDT) on Monday, March 22, 2021**, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

### **Non-Registered Shareholders (Beneficial Owners)**

In the Circular and the enclosed form of proxy and Notice, all references to shareholders are to Registered Shareholders. Only Registered Shareholders, or the person they appoint as their proxy, are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Shareholder” or “Beneficial Owner”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency such as CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Common Shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your Common Shares. **Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

There are two kinds of Beneficial Owners: those who object to their name being made known to the Corporation, referred to as objecting beneficial owners (“OBOs”), and those who do not object to the Corporation knowing who they are, referred to as non-objecting beneficial owners (“NOBOs”). In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice, the Circular and the enclosed form of proxy (collectively, the “Meeting Materials”) to all NOBOs directly through the Transfer Agent. The Meeting Materials will be distributed to OBOs through clearing agencies and Intermediaries, who often use a service company such as Broadridge Financial Solutions, Inc. (“Broadridge”) to forward meeting materials to Non-Registered Shareholders.

The Meeting Materials are being sent to both Registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### *Objecting Beneficial Owners*

Intermediaries are required to forward Meeting Materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will usually receive a voting instruction form (“VIF”) from Broadridge in lieu of the form of proxy from the Corporation. The VIF will name the same person as the proxy to represent the shareholder at the Meeting. A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than persons designated in the VIF, to represent the shareholder at the Meeting. To exercise this right, the shareholder should insert the name of the desired representative in the blank space provided in the VIF. You are asked to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, you can call Broadridge’s toll free telephone number or access Broadridge’s Internet website to vote your Common Shares. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

### *Non-Objecting Beneficial Owners*

NOBOs can expect to receive the Meeting Materials with a VIF from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by following the instructions contained on the VIF for facsimile, telephone or Internet voting. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received. **If you receive a VIF from the Transfer Agent, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to the Transfer Agent well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares they beneficially own. Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and Broadridge or other service company, or the Transfer Agent, as the case may be.

### **REVOCATION OF PROXIES**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so by delivering another properly executed proxy bearing a later date and depositing it as aforesaid, including within the prescribed time limits noted above; or by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder’s attorney authorized in writing, by one of the following methods: (a) at the registered office of the Corporation (1682 Woodward Drive, Ottawa Ontario K2C 3R8) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, (b) with the Chair of the Meeting, prior to its commencement, on the day of the Meeting or at any adjournment thereof; (c) by attending the Meeting in person and so requesting; or (d) in any other manner permitted by law.

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote 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 VIF or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

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

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of non-voting special shares, issuable in series with rights, privileges, restrictions and conditions to be determined by the board of directors of the Corporation (the “Board of Directors”) without shareholder action, of which the 2,831,325 Series I Special Shares were authorized and were issued on November 21, 2012 then were subsequently converted to the same number of Common Shares. As of February 17, 2021, 28,675,695 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote at all meetings of shareholders.

The Board of Directors has fixed the close of business on February 17, 2021 as the record date for the purposes of determining shareholders entitled to receive notice of the Meeting. In accordance with the *Canada Business Corporations Act* (“CBCA”), the Corporation will prepare a list of holders of Common Shares on the Record Date. Each holder of Common Shares named in the list at the close of business on the Record Date will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting.

As at February 17, 2021 to the knowledge of the directors and senior officers of the Corporation, no persons, firms or corporations beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation.

## **DESCRIPTION OF SHARE CAPITAL**

### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Corporation’s Common Shares are entitled to dividends as and when declared by the Board of Directors, to one vote per share at meetings of shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares.

### **Special Shares**

The Corporation is also authorized to issue an unlimited number of Special Shares, issuable in series. Upon liquidation or dissolution of the Corporation, before any distribution is made to the holders of Common Shares, holders of Special Shares will be entitled to receive the amount of the paid up capital of each Special Share together with all accrued and unpaid cumulative dividends thereon (if any) and all declared and unpaid cumulative dividends thereon (if any). Unless otherwise stated, holders of Special Shares shall not be entitled to any further distribution of the assets of the Corporation. There are no voting rights attached to Special Shares, unless otherwise provided under the CBCA.

### ***Series I Special Shares***

The Corporation created the Series I Special Shares in November 2012 and authorized and issued 2,831,325 Series I Special Shares on November 21, 2012. By the terms and conditions of the Series I Special Shares, these shares were automatically converted on July 2, 2013 into an equivalent number of Common Shares of the Corporation. No Series I Special Shares are currently issued and outstanding.

### **INFORMATION DISCLOSED**

The Corporation is providing disclosure in this Circular in accordance with the requirements of the *Securities Act* (Ontario) and the CBCA. The Corporation has available to it with respect to the most recently completed fiscal year certain disclosure exemptions by virtue of the fact that the Corporation is a corporation whose shares are listed on the TSX Venture Exchange (a “Venture Issuer”).

### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the financial year ended September 30, 2020 (the “Financial Statements”) and the auditor’s report on the Financial Statements and the Corporation’s management’s discussion and analysis for the financial year ended September 30, 2020, accompany the Notice of Meeting and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **ELECTION OF DIRECTORS**

In accordance with the articles of the Corporation, the Board of Directors may fix the number of Directors to be elected to not less than three, and no more than ten Directors. The Board of Directors currently has six directors and has fixed five as the number of Directors to be elected at the Meeting. Jane Pagel will not stand for re-election at the Meeting.

### **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE NOMINEES WHOSE NAMES ARE INDICATED BELOW UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD.**

All the director nominees indicated below are currently members of the Board of Directors and have been since the dates indicated. The term of office for each such person will be until the next Annual Meeting of Shareholders or until his successor is elected or appointed.

The Corporation’s By-Law No. 2 Advance Notice By-Law contains an advance notice provision (the “Provision”) for nominations of directors by shareholders in certain circumstances. As of the date hereof, the Corporation has not received notice of any director nominations in connection with this year’s Meeting within the time periods prescribed by the Provision.

The following are the names of the nominees for election to the Board of Directors, their principal occupation or employment during the last five years, and the dates, where applicable, on which they became Directors. See additional biographical information regarding each of the directors under the heading “Statement of Corporate Governance Practices - Composition of the Board”.

Name and Province and Country of Residence	Date First Appointed Director	Principal Occupation	Number of Securities Beneficially Owned or Over Which Control or Direction is Exercised as of February 17, 2021	
			Common Shares	Options
Geoff Simonett <sup>(1)</sup> Ontario, Canada	March 23, 2016	President of Pinelands Capital, providing financial and strategic consulting to early-stage technology companies, December 2017 to present. CFO of Wellness Systems Living Inc., March 1, 2019 to January 23, 2020. Entrepreneur in Residence at the RIC Centre Feb 2015 – Feb 2019. Founder and President of Greensky Capital, September 2008 to December 2014.	61,000	80,000
Jeffrey Talley <sup>(1)(2)</sup> Arizona, USA	March 27, 2019	President and CEO of The P3i Group LLC since 2020. Senior executive for IBM from 2016 to 2020. Lt. Gen. (Retired) Talley was in the active and reserve military service as a Citizen-Soldier for 36 years prior to his retirement in 2016.	-	60,000
Ian Murray Macdonald <sup>(2)</sup> , Ontario, Canada	March 25, 2020	Employee of the Corporation and its predecessor companies since 1986. Professional geoscientist and certified environmental auditor.	355,135	-
Scott MacFabe Ontario, Canada	March 28, 2018	CEO of the Corporation from March 1, 2018. COO of Industrial and Environmental Division, Kennedy Jenks Consultants from November 2012 to February 16, 2018. Director and Executive VP of Strategic Initiatives Canada, ARCADIS from 2009 to 2012. Director, Industrial/Commercial Business Unit, Malcolm Pirnie from 2002 to 2009. Senior Hydrogeologist Officer, Dames and Moore from 1985 to 2002.	10,000	500,000



Name and Province and Country of Residence	Date First Appointed Director	Principal Occupation	Number of Securities Beneficially Owned or Over Which Control or Direction is Exercised as of February 17, 2021	
			Common Shares	Options
Ian Mor Macdonald, Ontario, Canada	February 16, 2021	Managing Director of Tricapital Solutions Inc., a boutique merchant bank and corporate advisory consultancy since 1986. Prior to his position as Managing Director of Tricapital, Mr. Macdonald was Vice-President of Finance and Treasurer of Bacardi International Limited from 1980 to 1985. Previous to that, he was a member of the Strategic Planning Advice unit of PricewaterhouseCoopers (previously Coopers & Lybrand).	-	60,000

Notes:

- (1) Member of the Audit Committee. Jane Pagel is also a member of the Audit Committee.
- (2) Member of the Human Resources and Governance Committee. Jane Pagel is also a member of the Human Resources and Governance Committee.

The statements as to the shares of the Corporation beneficially owned or over which control or direction is exercised by the nominees for election as Directors are, in each instance, based upon information furnished by the person concerned.

### Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers of the Corporation is, or has been within the ten years before the date of this Circular, a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under Canadian securities legislation for a period of more than 30 consecutive days or was declared 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 the assets of that company.

### Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **Personal Bankruptcies**

None of the directors or officers of the Corporation has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the director or officer.

## **APPOINTMENT OF AUDITORS**

At the Meeting, it is proposed to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholder with their remuneration to be fixed by the Board of Directors.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF THE FIRM PRICEWATERHOUSECOOPERS LLP, AS AUDITORS OF THE CORPORATION, AT A REMUNERATION TO BE FIXED BY THE DIRECTORS, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS FOLLOWING THE COMPLETION OF THE 2021 FISCAL YEAR UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD.**

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Introduction**

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to the compensation of the Corporation's Chief Executive Officer and Chief Financial Officer.

The compensation arrangements of the Chief Executive Officer and Chief Financial Officer as well as all the executive officers were reviewed by the Human Resources and Governance Committee (the "HR & Governance Committee") and the executive officers have entered into employment arrangements with the Corporation, as more fully described under the heading "Employment Agreements/Consulting Arrangements".

### **Compensation Discussion and Analysis**

#### ***Chief Executive Officer and Chief Financial Officer***

Scott MacFabe was appointed the CEO of the Corporation on March 1, 2018. His employment agreement provides for a base salary of \$230,000, options for 500,000 Common Shares and an amended relocation allowance of \$40,975. Effective October 1, 2019, Mr. MacFabe's vehicle allowance was increased from \$1,000 to \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus ("Performance Bonus") may be awarded to Mr. MacFabe. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause.

Vivian Karaiskos was appointed Chief Financial Officer of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement effective May 16, 2019 provides for a base salary of \$205,000 and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause.

### ***Executive Compensation Principles***

The HR & Governance Committee and the Board of Directors undertake the process for determining executive compensation. The Corporation does not employ any formal objectives in determining executive compensation and the implementation of compensation programs that may exist from time to time. When determining executive compensation, the HR & Governance Committee and the Board of Directors rely on their current and past experience and collective knowledge of the market including similarly situated public and private companies.

Based on that background and assessment, the HR & Governance Committee and the Board of Directors, through discussion, base their ultimate determination on (i) the overall objectives of the Corporation, (ii) individual negotiations with an executive, as applicable, and (iii) the best interests of the Corporation, its shareholders and its other stakeholders. The Corporation uses a salary survey (TechEdge) to benchmark each position to current market data. The Corporation also uses informal benchmarking procedures in order to assist the HR & Governance Committee and the Board of Directors to assist with the assessment process.

### ***Elements of Executive Compensation Program***

The executive compensation packages consist of a base salary, a discretionary performance-based cash bonus, a benefit package, a vehicle allowance and, in some circumstances, stock options.

#### ***Base Salaries***

The base salary component is intended to provide a fixed level of pay that is established at the time that the officer joins the Corporation, and is reviewed from time to time thereafter, not less frequently than annually. The performance of the Chief Executive Officer and Chief Financial Officer is reviewed in light of various performance parameters, such as profitability, share price, revenue growth and any other influences on performance as may from time to time be considered relevant.

#### ***Variable Compensation Awards***

At the discretion of the HR & Governance Committee and Board of Directors, a performance-based cash bonus for each executive officer is established each year. The performance-based criteria are established yearly and are related to the achievement of specific corporate targets and for all executive officers, other than the CEO, the achievement of specific personal targets. Achieving established corporate targets would result in a 100% payout for the CEO.

The CEO bonus is based on the achievement of targets compared to the approved budget, as monitored on a quarterly basis. These targets typically focus on: revenue; billable revenue multiplier; gross margin; EBITDA as a % of revenue; days sales outstanding; recordable incidents; and turnover. Each of the other executive officers would then be benchmarked accordingly in respect of corporate targets. Additional criteria would have been established for personal targets for the other executive officers. These criteria were not implemented for the year ended September 30, 2020 because of COVID-19 but will be reinstated for the year ended September 30, 2021. For the year ended September 30, 2020, bonuses were determined at the Board's discretion.

The amount of variable compensation, as determined by the HR & Governance Committee and Board of Directors, if any, for all executive officers, is to be determined by January 31 each year and will be paid, if applicable, prior to the end of Corporation's second quarter.

### *Benefits Package and Vehicle Allowance*

The Corporation has a benefit plan which includes health and dental benefits, long term disability coverage and life insurance. All employees including the executive officers are entitled to participate in the benefit plan.

Each of the executive officers has available to them an automobile allowance and/or a reimbursement for mileage.

### *Employee Incentive Plans*

The HR & Governance Committee continues to review and assess its employee incentive plans which allocate cash bonuses and option grants to employees including executive officers, of the Corporation based on the achievement of certain personal and corporate performance goals.

### *Options*

Options to purchase Common Shares may be awarded to executive officers, directors, employees and consultants, from time to time, at the discretion of the HR & Governance Committee and Board of Directors of the Corporation pursuant to the terms of the Corporation's Amended and Restated Share Option Plan.

### **Summary Compensation Table**

The following table sets forth the summary information concerning compensation paid to, or earned for the financial years ended September 30, 2018, September 30, 2019 and September 30, 2020 by the Corporation's Chief Executive Officer and Chief Financial Officer and the three highest paid individuals who earned total compensation in excess of \$150,000 during the financial year ended September 30, 2020 and who were serving as executive officers or in a similar capacity at September 30, 2020 (collectively, the "NEOs").

Name and principal position	Year	Salary <sup>(6)</sup> (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Scott MacFabe <sup>(1)</sup> CEO	2020	230,000	-	-	25,000	-	-	27,946	282,946
	2019	230,000	-	-	21,500	-	-	26,032	266,533
	2018	134,167	-	66,920	-	-	-	45,144	246,231
Vivian Karaiskos <sup>(2)</sup> CFO & Corporate Secretary	2020	205,000	-	-	25,000	-	-	28,945	258,945
	2019	194,658	-	-	18,500	-	-	28,849	242,007
	2018	185,000	-	-	10,000	-	-	28,330	213,330
Tim Beckenham <sup>(3)</sup> Senior Director, Operations	2020	152,188	-	-	15,000	-	-	16,254	183,442
	2019	147,917	-	-	10,000	-	-	16,326	174,243
	2018	127,292	-	-	8,000	-	-	9,047	144,339
Wayne Ingham <sup>(4)</sup> Senior Director, Strategic Business Development	2020	148,361	-	-	15,000	-	-	7,921	171,282
	2019	144,267	-	-	5,000	-	-	8,021	157,288
	2018	139,740	-	-	4,000	-	-	7,762	151,502
Lydia Renton <sup>(5)</sup> Director Corporate Occupational Hygiene and Safety	2020	139,429	-	-	13,000	-	-	8,167	160,596
	2019	138,012	-	-	6,000	-	-	8,016	152,028
	2018	134,903	-	-	-	-	-	7,814	142,717

Notes:

(1) Scott MacFabe was appointed as CEO of the Corporation on March 1, 2018.

(2) Vivian Karaiskos was appointed CFO of the Corporation on February 1, 2015 and Corporate Secretary on July 1, 2015.

- (3) Tim Beckenham was appointed Senior Director, Operations on June 1, 2018. Prior to June 1, 2018, Mr. Beckenham was Senior Director, Professional Services from January 1, 2017 to May 31, 2018.
- (4) Wayne Ingham was appointed Senior Director, Strategic Business Development on June 1, 2018. Prior to June 1, 2018, Dr. Ingham was Vice President, Corporate Development from April 1, 2013 to May 31, 2018.
- (5) Lydia Renton was appointed as Director Corporate Hygiene and Safety on November 16, 2012 (prior to the Reverse Take Over, Ms. Renton was employed by WESA Group Inc. from May 17, 1999).
- (6) Base salary amounts reflect twelve month periods for 2018, 2019 and 2020.

## Incentive Plan Awards

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

The following table sets forth information concerning all option-based and share-based awards granted to each of the NEOs that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2020.<sup>(1)</sup>

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in the money options	Number of shares that have not vested	Market or payout value of share-based awards that have not vested
Scott MacFabe	500,000	\$0.24	March 1, 2023	-	-	-
Vivian Karaiskos	200,000	\$0.28	Nov. 2, 2020	-	-	-
Tim Beckenham	-	-	-	-	-	-
Wayne Ingham	-	-	-	-	-	-
Lydia Renton	-	-	-	-	-	-

Notes:

- (1) Based on the September 30, 2020 closing price of \$0.13 for the Corporation's Common Shares on the TSX Venture Exchange.

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

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended September 30, 2020, by each of the NEOs.

Name	Option-based awards – Value vested during the financial year ended September 30, 2020 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2020 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2020 (\$)
Scott MacFabe	-	-	25,000
Vivian Karaiskos	-	-	25,000
Tim Beckenham	-	-	15,000
Wayne Ingham	-	-	15,000
Lydia Renton	-	-	13,000

## **Termination and Change of Control Benefits**

Under current employment agreements and consulting arrangements there are no change of control benefits for any of the NEOs other than as provided for under the BluMetric Environmental Inc. Amended and Restated Share Option Plan. Termination benefits under the current employment agreements and consulting arrangements are set out below.

## **Employment Agreements/Consulting Arrangements**

Scott MacFabe was appointed the CEO of the Corporation on March 1, 2018. His employment agreement provides for a base salary of \$230,000, options for 500,000 Common Shares and an amended relocation allowance of \$40,975. Effective October 1, 2019, Mr. MacFabe's vehicle allowance was increased from \$1,000 to \$1,500 per month. At the discretion of the Board of Directors a Performance Bonus may be awarded to Mr. MacFabe. Mr. MacFabe is entitled to 12 months severance if his services are terminated by the Corporation, other than for cause.

Vivian Karaiskos was appointed Chief Financial Officer of the Corporation as of February 1, 2015 and Secretary of the Corporation on July 1, 2015. Her amended employment agreement effective May 16, 2019 provides for a base salary of \$205,000 and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Ms. Karaiskos. Ms. Karaiskos is entitled to 12 months severance if her services are terminated by the Corporation, other than for cause.

Tim Beckenham became the Senior Director, Operations of the Corporation on June 1, 2018. His employment agreement provides for a base salary of \$145,000 and a vehicle allowance of \$800 per month. Effective March 1, 2019, Mr. Beckenham's salary increased to \$150,000. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Mr. Beckenham. Mr. Beckenham is entitled to nine months severance if his services are terminated by the Corporation, other than for cause.

Wayne Ingham became the Senior Director, Strategic Business Development of the Corporation on June 1, 2018. His employment agreement provides for a base salary of \$139,740. Effective March 1, 2019, Dr. Ingham's salary increased to \$147,500. At the discretion of the Board of Directors, a Performance Bonus may be awarded to Dr. Ingham.

Lydia Renton became the Director Corporate Occupational Hygiene and Safety on November 16, 2012. Prior to the Reverse Take Over, she held the same position with WESA Group Inc. from May 17, 1999. Her amended employment agreement provides for a base salary of \$139,429. At the discretion of the executive management team, a bonus may be awarded to Ms. Renton.

## Compensation of Directors

The following table provides information regarding compensation paid to the Corporation's non-employee directors during the financial year ended September 30, 2020 <sup>(4)</sup> <sup>(5)</sup> <sup>(6)</sup>.

Name	Year	Fees Earned \$	Share Based Awards \$	Option Awards (\$)	Non-Equity Incentive Plan Compensation \$	Pension Value \$	All Other Compensation <sup>(3)</sup> \$	Total \$
Jane Pagel <sup>(1)</sup>	2020	21,000	-	920	-	-	-	21,920
	2019	30,000	-	2,839	-	-	-	32,839
	2018	30,000	-	2,911	-	-	-	32,911
Geoff Simonett <sup>(2)</sup>	2020	26,667	-	920	-	-	-	27,587
	2019	16,000	-	-	-	-	-	16,000
	2018	14,000	-	-	-	-	-	14,000
Jeffrey Talley <sup>(3)</sup>	2020	16,000	-	-	-	-	-	16,000
	2019	7,000	-	8,517	-	-	-	15,517
	2018	-	-	-	-	-	-	-
Vijay Jog <sup>(4)</sup>	2020	1,895	-	-	-	-	-	1,895
	2019	18,000	-	-	-	-	-	18,000
	2018	14,000	-	-	-	-	-	14,000
Hubert Fleming <sup>(5)</sup>	2020	3,500	-	-	-	-	-	3,500
	2019	14,000	-	-	-	-	-	14,000
	2018	14,000	-	-	-	-	-	14,000

Notes:

- (1) Jane Pagel was appointed to the Board of Directors on January 31, 2014. Ms. Pagel did not stand for re-election at this Meeting.
- (2) Geoff Simonett was elected to the Board of Directors on March 23, 2016.
- (3) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (4) Vijay Jog was elected to the Board of Directors on March 29, 2017 and resigned on November 4, 2019.
- (5) Hubert Fleming was elected to the Board of Directors on March 29, 2017 and did not stand for re-election at the March 25, 2020 Annual Meeting.
- (6) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.
- (7) Ian Murray Macdonald was elected to the Board of Directors on March 25, 2020 and is an employee of the Corporation and therefore is not paid director fees.
- (8) Scott MacFabe was elected to the Board of Directors on March 28, 2018 and is the CEO of the Corporation and therefore is not paid director fees.

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

The following table sets forth information concerning all option-based and share-based awards granted to each of the non-employee directors that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2020 <sup>(4)</sup>.

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in the money options	Number of shares that have not vested	Market or payout value of share-based awards that have not vested
Jane Pagel <sup>(1)</sup>	10,000	\$0.20	April 6, 2021	-	-	-
	60,000	\$0.21	September 1, 2022	-	-	-
	20,000	\$0.24	March 28, 2023	-	-	-
	20,000	\$0.22	March 27, 2024	-	-	-
	20,000	\$0.08	March 25, 2025	-	-	-
Geoff Simonett <sup>(2)</sup>	60,000	\$0.20	April 1, 2021	-	-	-
	20,000	\$0.08	March 25, 2025	-	-	-
Jeffrey Talley <sup>(3)</sup>	60,000	\$0.22	March 27, 2024	-	-	-
Vijay Jog <sup>(4)</sup>	-	-	-	-	-	-
Hubert Fleming <sup>(5)</sup>	-	-	-	-	-	-

Notes:

- (1) Ms. Pagel was appointed to the Board of Directors on January 31, 2014.
- (2) Mr. Simonett was elected to the Board of Directors on March 23, 2016.
- (3) Jeffrey Talley was elected to the Board of Directors on March 27, 2019.
- (4) Vijay Jog was elected to the Board of Directors on March 29, 2017 and resigned on November 4, 2019.
- (5) Hubert Fleming was elected to the Board of Directors on March 29, 2017 and did not stand for re-election at the March 25, 2020 Annual Meeting.
- (6) Ian Mor Macdonald was appointed to the Board of Directors on February 16, 2021.

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

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended September 30, 2020 by each of the non-employee directors.

Name	Option-based awards – Value vested during the financial year ended September 30, 2020 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2020 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2020 (\$)
Jane Pagel	-	-	-
Geoff Simonett	-	-	-
Jeffrey Talley	-	-	-
Vijay Jog	-	-	-
Hubert Fleming	-	-	-



### ***Summary of Compensation***

Commencing April 1, 2016, the Board of Directors' compensation policy provides each director with a flat annual fee of \$14,000 per year, paid quarterly, with no additional per meeting fee. Additionally, the chair of each committee will receive an additional \$4,000 per year and the chair of the Board of Directors will receive an additional \$14,000 per year. If a director is absent from two regularly scheduled sequential meetings this will result in such director forfeiting the quarterly payment, subject to review by the chair of the Board of Directors. Subject to regulatory approvals, each director will be entitled to receive an initial option grant for 60,000 Common Shares which will vest as to one third on each anniversary of the date of grant. Should a director continue to serve on the Board of Directors more than three years, additional grants of 20,000 Common Shares shall be made on each of the third and subsequent anniversaries of the annual meeting of shareholders of the Corporation ratifying their accession to the Board of Directors, vesting one year following the date of each such additional grant.

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

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2020.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by shareholders	970,000	\$0.24	2,230,000
Equity compensation plans not approved by shareholders	-	-	-

### **SHARE OPTION PLAN**

On February 28, 2003 the Corporation's shareholders approved the establishment of a share option plan which was known as the Seprtech Systems Incorporated Share Option Plan and which was amended on February 2, 2006, February 7, 2008, August 4, 2011, March 15, 2012, October 24, 2012 and February 21, 2013 and is now the BluMetric Environmental Inc. Amended and Restated Share Option Plan (the "Plan").

The purpose of the Plan is to develop the interest of and provide an incentive to eligible directors, officers, employees and consultants of the Corporation in the Corporation's growth and development by granting to such eligible persons from time to time, options to purchase Common Shares of the Corporation, thereby advancing the interests of the Corporation and its shareholders. The extent to which any director, officer, employee or consultant shall be entitled to be granted options pursuant to the Plan shall be determined at the discretion of the Board of Directors.

Options granted under the Plan are not assignable or transferable. Unless otherwise determined by the Board of Directors, the Plan provides that options granted under the Plan will expire not more than 10 years from the date of grant. The options will terminate one year after the death of a participant and 60 days after the termination of a participant ceases to be a director, officer, employee or consultant of the Corporation subject to adjustment by the Board of Directors. The Plan further provides that in all circumstances one

year after the participant ceases to be a director, officer, employee or consultant of the Corporation the options will terminate. Options granted to a participant who is engaged in investor relations activities shall expire 30 days after the participant ceases to provide investor relations services.

No individual may hold options to purchase Common Shares exceeding 5% of the then outstanding Common Shares. The maximum number of options granted to any one consultant in a 12 month period shall not exceed 2% of the then outstanding Common Shares. The maximum number of options granted to participants providing investor relations services shall not exceed 2% of the then outstanding Common Shares in any 12 month period. The Plan provides that unless otherwise determined by the Board of Directors, options granted under the Plan shall vest in three equal tranches one year apart. The first vesting date will be set by the Board of Directors but is not to exceed one year after the date of grant.

During the financial year ended September 30, 2020, 40,000 options were issued, no options were exercised and 120,000 previously issued options were cancelled or expired. As of September 30, 2020, there were 3,200,000 Common Shares reserved for issuance and of which options for 970,000 common shares had been granted as at September 30, 2020 each at a weighted average exercise price of \$0.24 per share.

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

Under Canadian securities laws, “informed person” means a director or executive officer of a reporting issuer, a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of a reporting issuer, any person or Corporation who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the reporting issuer (other than certain exemptions).

During the financial year ended September 30, 2020, the Corporation recorded expenses and made payments for services from the Board of Directors of \$69,061 which were included in general operations and administrative expense for services from the Board of Directors.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **Introduction**

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Board of Directors has reviewed the corporate governance best practices identified in National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the “CSA Guidelines”). The Board of Directors is committed to ensuring the Corporation follows best practices.

### **Mandate of the Board**

The Corporation’s Board of Directors assumes responsibility for the stewardship of the Corporation and the creation of shareholder value. The Board of Directors is responsible for, among other things:

- long-term strategic planning, including approving a strategic plan each year which takes into account the opportunities and risks of the Corporation
- risk analysis and monitoring of risk management systems

- overseeing the appointment, training and compensation of executive management and monitoring their performance, including succession planning
- establishing and monitoring the Corporation's communications policy and ensuring that it addresses the feedback and concerns of shareholders in particular
- ensuring the integrity of the Corporation's systems for internal controls and management information
- developing and implementing the Corporation's corporate governance guidelines

### **Composition of the Board**

The frequency of Board meetings and the nature of agenda items may change from year to year depending upon the activities of the Corporation. However, the Board meets at least quarterly to review the Corporation's operations and performance. During the financial year ended September 30, 2020, the Board met six times.

The Corporation's Board currently consists of six directors of which Jane Pagel, Geoff Simonett, Jeffrey Talley and Ian Mor Macdonald are independent directors as contemplated by the CSA Guidelines (i.e., each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgement). Ms. Pagel is not standing for re-election at this Meeting. Mr. Ian Mor Macdonald was appointed as a director on February 16, 2021.

Scott MacFabe and Ian Murray Macdonald are not independent directors. Mr. MacFabe was appointed as CEO on March 1, 2018 and elected as a director on March 28, 2018. Mr. Ian Murray Macdonald is an employee of the Corporation, and was elected as a director on March 25, 2020.

In determining whether a director is independent, the Board of Directors considers the specific circumstances of a director and the nature, as well as the materiality, of any relationship between the director and the Corporation. All directors are elected annually. There are no term limits for directors. The membership of the Board is assessed by considering a variety of factors, including the existing mix of skills and experience of the members. Board size, composition and renewal are considered annually as part of the HR & Governance Committee's mandate.

No director is a director of any other reporting issuer.

Mr. Geoff Simonett is the Chair of the Board of Directors. Mr. Simonett is an accomplished entrepreneur with over two decades of experience operating and financing early stage companies. Mr. Simonett is the President of Pinelands Capital, which provides financial and strategic consulting to early stage technology companies. Recently, he was CFO of Wellness Living Systems Inc. from March of 2019 until January 2020. As an operator, Mr. Simonett has founded, built and successfully exited five companies in industries including Software, Marketing and Financial Services. As an investor, advisor or board member Mr. Simonett has participated in dozens of companies primarily in IT, and CleanTech. Mr. Simonett was founder and President of Greensky Capital and is currently a board member at Method Integration and a consultant/mentor to multiple early stage technology companies.

Lieutenant General (Ret.) Jeffrey W. Talley is President & CEO of The P3i Group LLC, a management consulting firm that brings together people, technology, and solutions from across government, business, not-for-profit, and academia. Prior to joining The P3i Group, he was a Vice President & Global Fellow at

IBM. His military service culminated in 2012 when he was appointed by President Obama to a four-year term as the 32nd Chief of Army Reserve and Commanding General of the U.S. Army Reserve Command. He has held academic appointments at the University of Southern California, Harvard University, The Johns Hopkins University, Southern Methodist University, and the University of Notre Dame. He holds a PhD in Civil & Environmental Engineering from Carnegie Mellon and an Executive MBA from Oxford. He is a registered Professional Engineer (PE), a Board-Certified Environmental Engineer (BCEE) in Sustainability, and a Diplomate, Water Resources Engineer (DWRE). He currently serves on the Board of Directors for the Environmental and Energy Study Institute.

Mr. Ian Mor Macdonald is a Founder and Managing Director of Tricapital Solutions Inc., a boutique merchant bank and consultancy firm providing strategic business development and capital markets advice to mid-sized private and public companies. Mr. Macdonald and Tricapital have raised over \$500 million in capital for client companies and have restructured, bought, sold and co-invested behind dozens of companies. Prior to starting Tricapital Solutions Mr. Macdonald worked in senior roles at both Bacardi International and PwC. He is a member of the Institute of Certified Public Accountants of Ontario, a member of the Institute of Corporate Directors, and a past member of the Restructuring Association of Canada and the Venture Capital Association of Canada. Mr. Macdonald is past Chair of the Board of Empire Industries Limited, a TSX-listed company, Past Chair of the Canadian Professional Sales Association and is currently Chair of MI Petro (Services) Inc, a construction and service company.

Mr. Scott MacFabe was appointed the CEO of the Corporation on March 1, 2018. Prior to becoming CEO of the Corporation, Mr. MacFabe was COO of Industrial and Environmental Division at Kennedy Jenks Consultants from November 2012 to February 16, 2018. From 2009 to 2012, Mr. MacFabe was the Director and Executive VP of Strategic Initiatives Canada, ARCADIS and Director, Industrial/Commercial Business Unit, Malcolm Pirnie from 2002 to 2009. From 1985 to 2002, Mr. MacFabe was a Senior Hydrogeologist Officer at Dames and Moore. Mr. MacFabe is a hydrogeologist and holds both professional hydrogeology and geology accreditations.

Mr. Ian Murray Macdonald, M.Sc., P.Geo., EP (CEA) is a professional geoscientist and certified environmental auditor. He has been with BluMetric and its affiliates for more than 34 years working in the earth science and auditing fields. Mr. Ian Murray Macdonald was Director of WESA UK from 1990 to 1993 and a Director for the WESA Group Inc. between 2008 and 2012. He is currently a client manager and project manager for multiple sites in multiple jurisdictions across Canada in the areas of contaminant hydrogeology and remediation, source water protection, waste management and management systems. Mr. Ian Murray Macdonald is a Past President of the PGO (Professional Geoscientists Ontario), has been a member of numerous municipal and institutional advisory committees, and has a wide understanding of the professional service sector.

## **Diversity Disclosure**

The Corporation has not adopted a written policy relating to the identification and nomination of directors who are women; Indigenous peoples (First Nations, Inuit and Métis); persons with disabilities; and members of visible minorities (as each of those are defined in the *Employment Equity Act* (Canada) (collectively, the “Designated Groups”). The HR & Governance Committee considers diversity and on a going forward basis will take into consideration the level of representation of Designated Groups when nominating potential director nominees. The Board of Directors and management will take into account similar considerations in respect of senior management roles. The Corporation has not yet adopted a target for each Designated Group for directors or senior management.

On the Board of Directors as of September 30, 2020, there was one individual who has self-identified as a woman, representing 17% of the Board of Directors and one individual who self-identified as a person with disabilities, representing 17% of the Board of Directors. Currently, in senior management, there is one individual who has self-identified as a woman, representing 25% of the members of senior management. The number and proportion of Directors and members of senior management who self-identified as being a member of the Designated Groups have been furnished by the respective Directors and members of senior management on a voluntary basis and such responses have not been independently verified by the Corporation.

### **Board Committees**

There are two permanent Board of Directors committees: (i) the audit committee (the “Audit Committee”), and (ii) the human resources and governance committee (the “HR & Governance Committee”).

The Board of Directors may also appoint other temporary or permanent committees from time to time for particular purposes.

### ***Audit Committee Report***

The Audit Committee consists of Geoff Simonett (Chair), Jane Pagel and Jeffrey Talley. During the financial year ended September 30, 2020, the Audit Committee met four times.

Each of the members of the Audit Committee is financially literate as defined in National Instrument 52-110 (“NI 52-110”). The education and experience of each member of the Audit Committee is set forth above under the heading “Composition of the Board”.

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 exempting the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

The Audit Committee charter was initially adopted in 2004 and is periodically reviewed by the Audit Committee and a copy is attached hereto as Schedule “A”. It is available electronically on the Corporation’s web site at [www.blumetric.ca](http://www.blumetric.ca) and on [www.sedar.com](http://www.sedar.com).

The Audit Committee assists the Board of Directors in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The Audit Committee is responsible for reviewing the Corporation’s quarterly and annual financial statements, reviewing internal controls, reviewing the engagement and advice of the Corporation’s auditors, and reporting thereon to the Board of Directors.

The Audit Committee maintains direct communication during the year with the Corporation’s external auditors and the Corporation’s senior officers responsible for accounting and financial matters.

The Audit Committee has recommended to the Board of Directors that the shareholders of the Corporation be requested to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as the independent auditor for the year ending September 30, 2021.

### ***External Auditor Service Fees***

For the financial years ended September 30, 2019 and September 30, 2020 the fees paid by the Corporation for audit work were as follows:

	<b>Financial Year ended September 30, 2020</b>	<b>Financial Year ended September 30, 2019</b>
Audit fees	\$90,000	\$85,000
Audit related fees	\$44,700	\$39,500
Tax fees - Preparation of Tax Returns	\$7,500	\$7,500
All other fees	\$4,150	-
Total	\$146,350	\$132,000

Pursuant to the Audit Committee charter, the Audit Committee approved in advance all auditing services of the external auditors and related fees and terms and all non-audit service mandates including related fees and terms, to the extent permitted by applicable laws.

### **Human Resources and Governance Committee**

The Human Resources and Governance Committee consists of Jeffrey Talley (Chair), Jane Pagel and Ian Murray Macdonald. The HR & Governance Committee met four times during the financial year ended September 30, 2020.

See the board biographies above under the heading “Composition of the Board” for the relevant experience of the members in compensation matters.

The HR & Governance Committee is responsible for personnel matters, including performance, compensation and succession. The terms of reference include reviewing and making recommendations to the Board of Directors with respect of compensation arrangements for executive officers and management succession planning. As part of the HR & Governance Committee’s mandate is an ongoing review of compensation of executive officers and directors of the Corporation, a review of the Corporation’s current compensation model and to recommend changes including the implementation of short-term and long-term incentives for executive officers, employees and directors of the Corporation, including the criteria for, and award of, the Performance Bonus for executive officers. The HR & Governance Committee is also responsible for executive and board succession planning, monitoring board member effectiveness and performance, governance issues and disclosure policies.

### **Code of Ethics**

The Corporation adopted a code of ethics (the “Code”). All directors, officers, employees and consultants of the Corporation are expected to be familiar with the Code and adhere to the principles and procedures set forth in the Code that applies to them. The Board of Directors is responsible for the application of the Code to the affairs of the Corporation and the periodic review of the Code. The Code is available electronically on the Corporation’s web site at [www.blumetric.ca](http://www.blumetric.ca) and on [www.sedar.com](http://www.sedar.com).

## **ADDITIONAL INFORMATION**

The financial statements of the Corporation for the financial year ended September 30, 2020, together with the report of the auditors' thereon, are being mailed to the Shareholders of the Corporation with this Circular. Additional information relating to the Corporation may be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders can request copies of the Corporation's financial statements and management's discussion and analysis by emailing their request to [ir@blumetric.ca](mailto:ir@blumetric.ca), calling the Corporation at (613) 839-3053, or visiting the website at [www.blumetric.ca](http://www.blumetric.ca).

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgement of the person voting the Proxy.

## **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

Proposals of Shareholders to be presented at the 2021 annual meeting of shareholders of the Corporation in 2022 must be received by the Corporation before the date that is 90 days before the anniversary date of this Meeting to be considered for inclusion in the management proxy circular and form of proxy relating thereto.

## **APPROVAL BY THE BOARD OF DIRECTORS**

The contents of this Management Proxy Circular and the sending thereof to the Shareholders have been approved by the Board of Directors of the Corporation.

DATED at Ottawa, Ontario this 18<sup>th</sup> day of February, 2021.

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

*/s/ Geoff Simonett*

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Geoff Simonett

Chair of the Board of Directors

## **SCHEDULE “A”**

### **AUDIT COMMITTEE CHARTER**

The Audit Committee is responsible for:

- reviewing our interim and annual financial statements and management’s discussion and analysis related thereto, and all annual and interim earnings press releases before they are publicly disclosed;
- overseeing the work of our external auditors engaged for the purpose of preparing or issuing an audit report or related work;
- ensuring our external auditors report directly to the audit committee throughout the term of their appointment;
- pre-approving all non-audit services to be provided to us or our subsidiaries by our external auditor; and
- recommending to our board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report (or any related work), as well as the compensation to be paid to the external auditor.

The Audit Committee does the following main things to fulfill these responsibilities:

- meets with management and the external auditors at least once per year;
- meets separately with each of management several times per year and the external auditors at least once per year;
- reviews the annual audit scope and plan as recommended by the auditors;
- analyzes carefully all internal control points raised by the auditors in correspondence with management;
- discusses our compliance with tax and financial reporting rules as issues arise;
- reviews the appropriateness of insurance levels carried by the Corporation;
- reviews the accounting and financial policies and internal controls of the Corporation.

The Audit Committee has the authority to hire, at the Corporation’s expense, independent counsel or advisors to assist the Audit Committee in fulfilling its responsibilities.