

**BLUMETRIC ENVIRONMENTAL INC.  
3108 Carp Road, Ottawa, Ontario, K0A 1L0**

**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 Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario, K2L 4G8, on Wednesday, March 27, 2019 at 1:00 p.m. (EDT) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended September 30, 2018 and the auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint PricewaterhouseCoopers LLP as auditors 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 consolidated financial statements of the Corporation for the financial year ended September 30, 2018 together with management’s discussion and analysis thereon, to shareholders who requested them, and a form of proxy.

Dated at Ottawa, Ontario, this 26th day of February, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Vivian Karaiskos*  
Secretary

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.

**\*IMPORTANT NOTICE\***

**YOUR VOTE IS VERY IMPORTANT. THE BOARD OF DIRECTORS URGES YOU TO COMPLETE, SIGN, DATE AND RETURN TODAY THE ENCLOSED PROXY TO 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. IF YOU ARE ABLE TO ATTEND THE MEETING, SENDING YOUR PROXY WILL NOT PREVENT YOU FROM VOTING IN PERSON. IF YOUR SHARES ARE HELD IN THE NAME OF A BROKER OR NOMINEE, 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 25, 2019 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.**

**BLUMETRIC ENVIRONMENTAL INC.**  
**3108 Carp Road**  
**Ottawa, Ontario**  
**K0A 1L0**

**MANAGEMENT PROXY CIRCULAR**

**For the Annual Meeting of Shareholders to be held at 1:00 p.m. (EDT) on  
Wednesday, March 27, 2019 at**

**Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario K2L 4G8**

**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 27, 2019 at the Fairfield Inn & Suites, 578 Terry Fox Drive, Ottawa, Ontario K2L 4G8 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 20, 2019, unless otherwise indicated.

**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 3108 Carp Road, PO Box 430, Ottawa, ON K0A 1L0 **for receipt no later than 1:00 p.m. (EDT) on Monday, March 25, 2019**, 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 25, 2019**, 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 25, 2019**, 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 (3108 Carp Road, Ottawa Ontario K0A 1L0) 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 20, 2019, 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 20, 2019 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 20, 2019 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 consolidated financial statements of the Corporation for the financial year ended September 30, 2018 (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, 2018, 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 seven as the number of Directors to be elected 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, except for Jeffrey Talley who is a new director nominee, 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 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/State 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 20, 2019	
			Common Shares	Options
Jane Pagel <sup>(2)</sup> Ontario, Canada	February 3, 2014	Retired. Interim President and CEO, Sustainable Development Technology Canada from June 2014 to June 2015. President and CEO of the Ontario Clean Water Agency from 2010 to 2014. Principal, Government and Industrial Relations for Stantec Inc from 2009 to 2010, SVP and Principal for Jacques Whitford Inc from 2000 to 2009 until the company was acquired by Stantec Inc.	42,306	140,000
Geoff Simonett <sup>(1)</sup> Ontario, Canada	March 23, 2016	President of Pinelands Capital, providing financial and strategic consulting to small technology companies. Entrepreneur in Residence at the RIC Centre. Founder and President of Greensky Capital, September 2008 to December 2014.	-	60,000

Name and Province/State 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 20, 2019	
			Common Shares	Options
Hubert Fleming <sup>(1)</sup> Delaware, USA	March 29, 2017	Water and industry consultant. Vice President, AngloGold Ashanti Limited from January 2013 to December 2014. Global Director of Hatch from April 2008 to December 2012. President, Severn Trent Services Inc. from 1998 to 2013.	-	60,000
Ronald Donaldson <sup>(2)</sup> Ontario, Canada	March 29, 2017	Professional geoscientist and employee of the Corporation and its predecessor, WESA Group, since 1992. Responsible for the management and implementation of project management plans for clients.	1,025,882	-
Vijay Jog <sup>(1)(2)</sup> Ontario, Canada	March 29, 2017	Founder and president of Corporate Renaissance Group (CRGroup), a firm dedicated to driving better business management and performance since 1989. Currently Chancellor Professor Emeritus and Distinguished Research Professor at the Sprott School of Business, Carleton University, from November 1982.	1,000	60,000
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.	-	500,000



Name and Province/State 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 20, 2019	
			Common Shares	Options
Jeffrey Talley Arizona, USA	-	Senior executive for IBM since 2016 advising on strategic goals, M&A and business development. 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. Lt. Gen. Talley has a faculty appointment as a Professor of Practice in the Price School of Public Policy at Viterbi School of Engineering and Scholar-in-Residence, Brittingham Social Enterprise Lab, Marshall School of Business, University of Southern California.	-	-

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources and Governance Committee. In April 2017 the Human Resources and Compensation Committee and Corporate Governance and Nominating Committee were combined into one committee.

See below under the heading “Statement of Corporate Governance Practices - Composition of the Board” for a biographies of the directors.

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.

PricewaterhouseCoopers LLP was appointed the Corporation's auditors on October 31, 2017. Prior to their appointment MNP LLP were the auditors of the Corporation from October 31, 2014 to October 31, 2017.

**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 2019 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 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, a vehicle allowance of \$1,000 per month and a relocation allowance of \$40,975. At the discretion of the Board of Directors a performance-based cash 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 became Chief Financial Officer of the Corporation as of February 1, 2015 and became Secretary of the Corporation on July 1, 2015. Her employment agreement provides for a base salary of \$185,000, options for 200,000 Common Shares, and a vehicle allowance of \$1,500 per month. At the

discretion of the Board of Directors a performance-based cash 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. Ms. Karaiskos received a signing bonus of \$15,000.

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

The Human Resources and Governance Committee (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 surveys (Mercer and 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***

A performance-based cash bonus for each executive officer is set at the discretion of the HR & Governance Committee and Board of Directors of the Corporation. The performance-based criteria will be established yearly and will be based on the achievement of specific targets.

#### ***Benefits Package and Vehicle Allowance***

The Corporation has a benefit plan which includes health and dental benefits, RRSP matching program, 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 or use of a company-owned vehicle.

### 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, 2016, September 30, 2017 and September 30, 2018 by the Corporation's Chief Executive Officer and Chief Financial Officer and the two highest paid executive officers, who earned total compensation in excess of \$150,000 during the financial year ended September 30, 2018 and who were serving as executive officers at September 30, 2018 or would have been included had such individuals been serving as executive officers at September 30, 2018 (collectively, the "Named Executive Officers").

Name and principal position	Year	Salary <sup>1)</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	2018	134,167	-	-	-	-	-	7,607	134,774
Vivian Karaiskos <sup>(2)</sup> CFO & Corporate Secretary	2018	185,000	-	-	-	-	-	28,330	213,330
	2017	185,000	-	-	-	-	-	28,254	213,254
	2016	185,000	-	200,000	-	-	-	49,762	234,762
Dan Scroggins <sup>(3)(4)</sup> Interim CEO (former)	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	24,662	-
	2016	66,667	-	-	-	-	-	-	81,329
Roger M. Woeller <sup>(5)</sup> CEO (former)	2018	26,667	-	-	-	-	-	7,438	34,105
	2017	160,000	-	-	-	-	-	38,589	198,589
	2016	160,000	-	-	-	-	-	39,044	199,044

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. Ms. Karaiskos entered into an employment contract with the Corporation on January 2, 2015. Prior to this, Ms. Karaiskos was a consultant with the Corporation. Previously, Ms. Karaiskos received 40,000 options pursuant to a six month contract ended June 30, 2014. These options were issued at \$0.50 and expire March 4, 2019.
- (3) Dan Scroggins was appointed Interim CEO on December 1, 2017 upon the departure of Roger Woeller and ceased to be Interim CEO on February 28, 2018.
- (4) Prior to Mr. Scroggins' appointment as Interim CEO, he was appointed Senior Vice President, Research and Innovation on July 2, 2015, prior to which he was President, Water Division of the Corporation, prior to which he was Chief Technology Officer. Mr. Scroggins entered into an employment contract with the Corporation effective January 1, 2014. In respect of Mr. Scroggins' 2015 salary, \$8,000 was accrued and was paid on July 19, 2017. On February 29, 2016, Mr. Scroggins' ceased being an employee of the Corporation and entered into a Consulting and Associate Agreement with the Corporation effective March 1, 2016, through his consulting company, Scroggins and Associates, LLC for \$10,800 USD per month. In July 2017, the monthly amount was adjusted to approximately \$15,000 USD per month based on an hourly rate. From October 2017 to September 2018, Mr. Scroggins earned \$178,800 USD under his consulting arrangement. From October 2016 to September 2017, Mr. Scroggins earned \$142,200 USD under his consulting arrangement.

- (5) Roger M. Woeller ceased to be CEO on November 30, 2017. Mr. Woeller was appointed CEO of the Corporation on March 20, 2014; co-CEO of the Corporation on November 18, 2013 and Chief Corporate Development Officer on November 16, 2012, prior to which he was CEO of WESA Group Inc. Mr. Woeller entered into a two year employment contract with the Corporation on February 14, 2014. In respect of Mr. Woeller’s 2015 salary, \$6,000 was accrued and was paid in increments of \$2,000 on January 15, 2017, April 15, 2017 and July 15, 2017. The Corporation entered into an agreement with Mr. Woeller on October 31, 2017 with respect to his departure as CEO of the Corporation. See heading “Employment Agreements/Consulting Arrangements” below. Mr. Woeller received a severance payment of \$250,000 which is detailed under the heading “Employment Agreements/Consulting Arrangements” below.

## 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 Named Executive Officers that were granted before, and remain outstanding as of the end of, the most recently completed financial year ended September 30, 2018.<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 Karaikos	40,000 200,000	\$0.50 \$0.28	March 4, 2019 Nov. 2, 2020	-	-	-
Dan Scroggins	-	-	-	-	-	-
Roger M. Woeller	-	-	-	-	-	-

Notes:

- (1) Based on the September 30, 2018 closing price of \$0.19 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, 2018, by each of the Named Executive Officers.

Name	Share-based awards – Value vested during the financial year ended September 30, 2018 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2018 (\$)
Scott MacFabe	-	-
Vivian Karaikos	-	-
Dan Scroggins	-	-
Roger M. Woeller	-	-

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

Under current employment agreements and consulting arrangements there are no change of control benefits for any of the Named Executive Officers 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, a relocation allowance of \$40,975 and a vehicle allowance of \$1,000 per month. At the discretion of the Board of Directors a performance-based cash 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 became Chief Financial Officer of the Corporation as of February 1, 2015. Her employment agreement provides for a base salary of \$185,000, options for 200,000 Common Shares, and a vehicle allowance of \$1,500 per month. At the discretion of the Board of Directors a performance-based cash bonus may be awarded to Ms. Karaiskos based on achievement related to personal and corporate goals. Ms. Karaiskos is entitled to 12 months' severance if her services are terminated by the Corporation, other than for cause. Ms. Karaiskos was also entitled to a signing bonus of \$15,000. On July 1, 2015, Ms. Karaiskos became Secretary of the Corporation.

Dan Scroggins' consulting arrangements were not varied when he took on the position of Interim CEO on December 1, 2017 until February 28, 2018; however, the Corporation is currently negotiating a new consulting arrangement with Mr. Scroggins. On February 29, 2016, Mr. Scroggins' ceased being an employee of the Corporation and entered into a Consulting and Associate Agreement with the Corporation effective March 1, 2016, through his consulting company, Scroggins and Associates, LLC for \$10,800 USD per month. In July 2017, the monthly amount was adjusted to approximately \$15,000 USD per month based on an hourly rate. Under the terms of the current agreement, Mr. Scroggins may receive a performance based bonus at the discretion of the Board of the Corporation. Mr. Scroggins is entitled to a commission of 0.4% of the gross dollar value of all projects sold in the United States by the Corporation. In addition, Mr. Scroggins is entitled to 0.2% of the gross dollar value for all products sold by the Corporation that include various patented or proprietary technologies developed by Mr. Scroggins. The contract has a 12 month rolling period can be terminated on 30 days written notice. If the contract is terminated by the Corporation, Mr. Scroggins is entitled to 12 months' severance. In addition, the Corporation is required to pay royalties for a period of 20 years after the termination.

Roger Woeller entered into an agreement with the Corporation on October 31, 2017 with respect to his departure as CEO of the Corporation (the "Agreement"). In consideration of payment of all wages, vacation pay, bonus compensation and severance payment, the Corporation agreed to issue to Mr. Woeller, his RRSP or his affiliates, 283,917 Common Shares representing approximately 1% of the issued and outstanding shares of the Corporation, using a share price of \$0.22. In addition, after deducting the value of the 283,917 Common Shares from the \$250,000, the remaining amount less withholdings and other obligations, were paid in cash in six equal instalments at the end of each month commencing in April 2018.

## 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, 2018 <sup>(5)</sup> <sup>(6)</sup> <sup>(7)</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>	2018	30,000	-	20,000	-	-	-	30,000
	2017	23,000	-	60,000	-	-	-	23,000
	2016	24,250	-	10,000	-	-	-	24,250
Geoff Simonett <sup>(2)</sup>	2018	14,000	-	-	-	-	-	14,000
	2017	14,000	-	-	-	-	-	14,000
	2016	10,000	-	60,000	-	-	-	10,000
Hubert Fleming <sup>(3)</sup>	2018	14,000	-	-	-	-	-	14,000
	2017	9,000	-	60,000	-	-	-	9,000
	2016	-	-	-	-	-	-	-
Vijay Jog <sup>(4)</sup>	2018	18,000	-	-	-	-	-	18,000
	2017	9,000	-	60,000	-	-	-	9,000
	2016	-	-	-	-	-	-	-
Roger Woeller <sup>(5)</sup>	2018	4,667	-	-	-	-	-	4,667
	2017	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-

Notes:

- (1) Jane Pagel was appointed to the Board of Directors on February 3, 2014.
- (2) Geoff Simonett was elected to the Board of Directors on March 23, 2016.
- (3) Hubert Fleming was elected to the Board of Directors on March 29, 2017.
- (4) Vijay Jog was elected to the Board of Directors on March 29, 2017.
- (5) Roger Woeller ceased to be CEO as of November 30, 2017 and became a non-employee director at that time. Beginning December 1, 2017, Mr. Woeller received director fees of \$1,167 per month until March 28, 2018 when he ceased to be a director.
- (6) Scott MacFabe was elected to the Board of Directors on March 28, 2018 and the CEO of the Corporation and therefore is not paid director fees.
- (7) Ronald Donaldson was elected to the Board of Directors on March 29, 2017 and is an employee 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, 2018.

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options	Option Exercise Price	Option Expiration Date	Value of Unexercised in the money options	Number of shares that have not vested	Market or payout value of share-based awards that have not vested
Jane Pagel <sup>(1)</sup>	50,000	\$0.50	March 4, 2019	-	-	-
	10,000	\$0.20	April 6, 2021	-	-	-
	60,000	\$0.21	September 1, 2022	-	-	-
	20,000	\$0.24	March 28, 2023	-	-	-

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
Geoff Simonett <sup>(2)</sup>	60,000	\$0.20	April 1, 2021	-	-	-
Hubert Fleming <sup>(3)</sup>	60,000	\$0.32	March 31, 2022	-	-	-
Vijay Jog <sup>(4)</sup>	60,000	\$0.32	March 31, 2022	-	-	-
Roger Woeller <sup>(5)</sup>	-	-	-	-	-	-

Notes:

- (1) Ms. Pagel was appointed to the Board of Directors on February 3, 2014.
- (2) Mr. Simonett was elected to the Board of Directors on March 23, 2016.
- (3) Dr. Fleming was elected to the Board of Directors on March 29, 2017.
- (4) Dr. Jog was elected to the Board of Directors on March 29, 2017.
- (5) Mr. Woeller was a non-employee director at that time from December 1, 2017 to March 28, 2018.

### ***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, 2018 by each of the non-employee directors.

Name	Option-based awards – Value vested during the financial year ended September 30, 2018 (\$)	Share-based awards – Value vested during the financial year ended September 30, 2018 (\$)	Non-equity incentive plan compensation – Value earned during the financial year ended September 30, 2018 (\$)
Jane Pagel	-	-	-
Geoff Simonett	-	-	-
Hubert Fleming	-	-	-
Vijay Jog	-	-	-
Roger Woeller	-	-	-

### ***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 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. The chair of the Board of Directors will receive an additional option grant for 60,000 Common Shares at the time such director becomes chair. 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 fourth 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, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders	1,642,875	\$0.35	1,557,125
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 Seprotech 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, 2018, 520,000 options were issued, no options were exercised and 54,500 previously issued options were cancelled or expired. As of September 30, 2018, there

were 3,200,000 Common Shares reserved for issuance and of which options for 1,642,875 common shares had been granted as at September 30, 2018 each at a weighted average exercise price of \$0.35 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, 2018, the Corporation recorded expenses and made payments for services from the Board of Directors of \$80,667 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 mandate of the Corporation’s Board of Directors is to provide guidance to the Corporation’s management in the following areas:

- long-term strategic planning
- risk analysis and monitoring of risk management systems
- overseeing the appointment, training and compensation of senior 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 Corporation’s Board currently consists of six directors of which Jane Pagel, Geoff Simonett, Hubert Fleming and Vijay Jog 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).

The Board has increased the number of directors to seven for this Meeting and have identified Lt. Gen. (Ret.) Jeffrey Talley as an additional nominee director.

Messrs. MacFabe and Donaldson are not independent directors. Mr. MacFabe was elected as a director on March 28, 2018 and was appointed as CEO on March 1, 2018. Mr. Donaldson is an employee of the Corporation. 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.

Currently, Jane Pagel is a director of Avalon Advanced Materials (“AVL”) which is traded on the Toronto Stock Exchange and Pure Global Cannabis (“PURE”) which is traded on the TSX Venture Exchange. No other director is a director of any other reporting issuer.

Ms. Jane Pagel has held numerous executive positions in both government and the private sector. Ms. Pagel has served on a number of boards and previously sat on the board of Sustainable Development Technology Canada. She was selected to be part of Canada’s Diversity 50 2013 list of board candidates and was Interim President and CEO at Sustainable Development Technology Canada from June 2014 to June 2015. Prior to that, Jane was President and CEO of the Ontario Clean Water Agency (OCWA) from 2010 until her retirement in early 2014. Prior industry positions held by Ms. Pagel include Principal Government and Industrial Relations at Stantec; Senior Vice President and Principal at Jacques Whitford, with more than 45 offices worldwide and over 1,700 employees (acquired by Stantec in 2009); Vice President Government Relations at Philip Services; and President of Zenon Environmental Laboratories. Ms. Pagel also held senior positions at the Ministry of the Environment and was Director of Research and Technology when she left the Ministry in 1990. Ms. Pagel has many years leading medium and large organizations, and has previously served and chaired on Governance, Human Resource and Compensation Committees.

Mr. Geoff Simonett is an accomplished entrepreneur with over two decades of experience operating and financing early stage companies. 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 is currently an Entrepreneur in Residence at the RIC Centre in Mississauga, a board member at Method Integration and a consultant/mentor to multiple early stage technology companies.

Dr. Hubert Fleming is a water industry consultant with a history of leading strategic planning and investment management for global water/infrastructure-based firms. He was Global Director for Hatch Ltd., and formerly Vice President of Zenon Environmental and President of Severn Trent Services. He has served on various US and global organizations, including US EPA, WHO and NATO. He is also the author or co-author of several books, including the Membrane Handbook. Dr. Fleming holds a Ph.D. and M.S. in Chemical Engineering from Cornell University and is a graduate of the Executive Management Program from the Harvard Business School.

Mr. Ronald Donaldson is a professional geoscientist who has been working in the earth science field for more than 30 years, 27 of which he has spent as an employee of the Corporation and its predecessors. He was VP of Operations for the WESA Group Inc. between 2008 and 2012, and is now responsible for the management of individual projects and client portfolios for multiple sites in multiple jurisdictions, for which he develops and implements comprehensive project management plans. Mr. Donaldson has been a member of and chaired municipal and institutional advisory committees, and has a deep understanding of the professional service sector in which the Corporation operates.

Dr. Vijay Jog is the founder and president of Corporate Renaissance Group (CRGroup), a firm dedicated to driving better business management and performance. He also serves as the Chancellor’s Professor at

the Sprott School of Business, Carleton University. Dr. Jog's consulting career is global and spans more than 25 years. His clients include private and public companies, major federal government departments, and many other public sector and not-for-profit organizations worldwide. As an academic, Dr. Jog has written five books/monographs, and was recognized as a "Leader in Management Education" in Canada by the National Post in a Canada-wide competition. Dr. Jog is a chemical engineer with a Masters in chemical engineering followed by an MBA and a Ph.D. in Finance.

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 Senior Hydrogeologist Officer at Dames and Moore. Mr. MacFabe is a hydrogeologist and holds both professional hydrogeology and geology accreditations.

Lt. Gen. (Ret.) Jeffrey Talley is the Vice President, Global Public Sector, with IBM Global Markets since 2016. As a senior executive, he advises on strategic issues, mergers and acquisitions and business development. He is a Global Fellow at the IBM center for the Business of Government. Prior to IBM, Lt. Gen. (Ret.) Talley was a Lieutenant General, U.S. Army for 36 years where his work included integration of engineering, business and public policy through public, private and partnerships. Lt. Gen.(Ret.) Talley holds a faculty appointment as a Professor of Practice in the Price School of Public Policy & Viterbi School of Engineering and Scholar-in-Residence, Brittingham Social Enterprise Lab, Marshall School of Business, University of Southern California. He is a member of General Electric's Military Advisory Board. Lt. Gen. (Ret.) Talley received his Ph.D. in engineering from Carnegie Mellon University and his Executive M.B.A. from the University of Oxford, England. He holds multiple master's degrees and is a registered Professional Engineer (P.E.), a Board Certified Environmental Engineer (BCEE) and a Diplomate, Water Resources Engineer (D.WRE)

## **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 Vijay Jog (Chair), Geoff Simonett and Hubert Fleming. During the fiscal year ended September 30, 2018, 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 adopted in 2004, and is periodically reviewed by the Audit Committee, and a copy is attached hereto as Schedule “A”. It is also 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, 2019.

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

For the financial years ended September 30, 2017 and September 30, 2018 the fees paid by the Corporation for audit work were as follows:

	<b>Financial Year ended September 30, 2018</b>	<b>Financial Year ended September 30, 2017</b>
Audit fees	\$72,000	\$95,625
Audit related fees	-	-
Tax fees - Preparation of Tax Returns	\$7,200	\$7,000
All other fees	\$7,421	-
Total	\$86,621	\$102,625

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 Jane Pagel (Chair), Vijay Jog and Ronald Donaldson. The HR & Governance Committee met four times during the fiscal year ended September 30, 2018.

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, other employees and directors of the Corporation. The HR & Governance Committee is also responsible for executive and board succession planning, monitoring board member

effectiveness and performance, governance issues and disclosure policies. The Board of Directors took the lead in the search for the new CEO and for determining the CEO's compensation package.

### **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 fiscal year ended September 30, 2018, 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 2019 annual meeting of shareholders of the Corporation in 2020 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 26th day of February, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ Jane Pagel*

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Jane Pagel

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.