

## STATEMENT OF EXECUTIVE COMPENSATION

### General

For the purpose of this Statement of Executive Compensation:

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

“**NEO**” or “**named executive officer**” means:

1. each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
2. each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
3. in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
4. each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

### Director and Named Executive Officer Compensation

**During financial year ended December 31, 2021**, based on the definition above, the NEOs of the Company were: Ian L Paterson, CEO and director, Roland Sartorius, CFO and Corporate Secretary, Jord Tanner, Chief Technology Officer (“**CTO**”), Philip de Souza, President of US subsidiary effective April 01, 2021, and Joel Eng, VP Information Security of US subsidiary effective August 12, 2021.

The Directors of the Company who were not NEOs during the financial year ended December 31, 2021 were: Robert Kiesman, Barry Carlson, Mike McConnell, Ed Hammersla, and Molly de Ramel (deceased October 24, 2021). Mr. Carlson will not be standing for re-election at the Meeting.

**During the financial year ended December 31, 2020**, based on the definition above, the NEOs of the Company were: Ian L Paterson, CEO and director, Roland Sartorius, CFO and Corporate Secretary, and Jord Tanner, Chief Technology Officer (“**CTO**”). Robert Kiesman, former CEO and director resigned as CEO on September 17, 2020, Mark Orsmond, former CFO, Corporate Secretary, and director resigned on September 17, 2020

The Directors of the Company who were not NEOs during the financial year ended December 31, 2020, were: Barry Carlson, Mike McConnell, and Ed Hammersla, appointed as directors on September 17, 2020. Merv Chia and Kendra Low resigned as directors on September 17, 2020.

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2021, and December 31, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Form.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended  
December 31, 2021, and December 31, 2020**

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Ian L. Paterson <sup>(1)</sup> CEO and Director	2021	184,246	65,844	Nil	Nil	Nil	250,090
	2020	199,233	50,000	Nil	Nil	3,269	252,502
Roland Sartorius <sup>(2)</sup> CFO and Corporate Secretary	2021	155,000	37,500	Nil	Nil	Nil	195,500
	2020	168,507	36,250	Nil	Nil	2,443	207,200
Jord Tanner <sup>(3)</sup> CTO	2021	142,045	Nil	Nil	Nil	Nil	142,045
	2020	148,583	Nil	Nil	Nil	3,269	151,852
Philip de Souza <sup>(4)</sup> President of US Subsidiary	2021	183,750	92,264	Nil	Nil	2,823	278,837
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Joel Eng, <sup>(5)</sup> VP Information Technology of US Subsidiary	2021	162,363	Nil	Nil	Nil	Nil	162,363
	2020	n/a	n/a	n/a	n/a	n/a	n/a
Robert Kiesman <sup>(6)</sup> Chairman of the Board and Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Barry Carlson <sup>(7)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	1,742	1,742
William Hammersla <sup>(8)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Michael McConnell <sup>(9)</sup> Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Mark Orsmond <sup>(10)</sup> Former CFO, Corporate Secretary & Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Kendra Low <sup>(11)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Merv Chia <sup>(12)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Molly de Rame <sup>(13)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- 1) Mr. Paterson was appointed CEO and Director effective September 17, 2020.
- 2) Mr. Sartorius was appointed CFO and Corporate Secretary effective September 17, 2020.
- 3) Mr. Tanner was appointed CTO effective September 17, 2020.
- 4) Mr. de Souza was appointed President of US subsidiary (Aurora Systems Consulting Inc.) effective April 01, 2021.
- 5) Mr. Eng was appointed VP Information Technology of US subsidiary (Plurilock Security Systems Inc.) effective August 12, 2021.
- 6) Mr. Kiesman was appointed to the Board of Directors on July 5, 2018 and was CEO from July 5, 2018 to September 17, 2020.
- 7) Mr. Carlson was appointed to the Board of Directors on September 17, 2020.

- 8) Mr. Hammersla was appointed to the Board of Directors on September 17, 2020.
- 9) Mr. McConnell was appointed to the Board of Directors on September 17, 2020.
- 10) Mr. Orsmond was CFO and a Director from July 5, 2018 to September 17, 2020.
- 11) Ms. Low was a Director from December 11, 2018 to September 17, 2020.
- 12) Mr. Chia was a Director from July 5, 2018 to September 17, 2020.
- 13) Ms. de Ramel was appointed to the Board of Directors on March 14, 2021 and deceased on October 24, 2021.

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

### *Fixed Share Option Plan (Option-Based Awards)*

The Company has a 20% fixed share option plan dated for reference October 26, 2020, which was approved by the Shareholders at the Company's annual general meeting held on July 2, 2021, and amended by the Board on June 1, 2022 (the "**Option Plan**"). The recent amendments to the Option Plan were made to increase the number of Common Shares reserved for issuance under the Option Plan and to reflect recent amendments to TSX Venture Exchange Policies. The Option Plan is a "fixed number" stock option plan as described in TSX Venture Exchange Policy 4.4.

The material terms of the Option Plan are set forth below. Capitalized terms used but not otherwise defined below shall have the meanings ascribed to such terms in the Option Plan.

1. Service Provider – Service Providers are eligible for awards of Options under the Option Plan. "**Service Provider**" means a person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers.
2. Maximum Plan Shares – The maximum aggregate number of Common Shares that may be reserved for issuance under the Option Plan at any point in time is 14,299,448 Common Shares, less any Common Shares reserved for issuance under Share Compensation Arrangements.
3. Limitations on Issue - The following restrictions on issuances of Options are applicable under the Option Plan:
  - (i) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained "**Disinterested Shareholder Approval**" (as defined in the Option Plan to mean approval evidenced by a majority of the votes cast by all the Shareholders at a duly constituted Shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Company who are Service Providers or their Associates);
  - (ii) the aggregate number of Options, together with any other Share Compensation Arrangement, granted to all Investor Relations Service Providers in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV (or NEX, as the case may be);
  - (iii) the aggregate number of Options granted, together with any other Share Compensation Arrangements, granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV (or the NEX, as the case may be);

- (iv) Investor Relations Services Providers may not receive any Security Based Compensation other than Options; and
  - (v) For Security Based Compensation granted or issued to Employees, Consultants or Management Company Employees, the Issuer and the Participant are responsible for ensuring and confirming that the Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
4. Maximum Percentage to Insiders – Subject to Disinterested Shareholder Approval, the aggregate number of Common Shares reserved for issuance to Insiders of the Company under the Option Plan, together with any other Share Compensation Arrangements, cannot exceed 10% of the Outstanding Shares.
  5. Maximum Percentage to Insiders within any 12-month period - Subject to Disinterested Shareholder Approval, the number of Common Shares issued to Insiders of the Company within any 12-month period under the Option Plan, together with any other Share Compensation Arrangements, cannot exceed 10% of the Outstanding Shares.
  6. Exercise Price – The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price (as defined in TSX Venture Exchange Policy 1.1).
  7. Vesting of Options - Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
    - (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
    - (ii) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.
  8. Vesting of Options Granted to Investor Relations Service Providers - Options granted to Investor Relations Service Providers will vest such that:
    - (i) no more than 25% of the Options vest no sooner than three months after the Options were granted;
    - (ii) no more than 25% of Options vest no sooner than six months after the Options were granted;
    - (iii) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
    - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

9. Term of Option – The term of an Option will be set by the Board at the time such Option is allocated under the Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.
10. Optionee Ceasing to be a Director, Employee or Service Provider – Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
  - (i) in the case of the death of an Optionee, any vested Option held by him/her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
  - (ii) an Option granted to any Service Provider (excluding Service Providers conducting Investor Relations Activities) will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested on the date the Optionee ceased to be so employed by or to provide services to the Company;
  - (iii) an Option granted to any Investor Relations Service Provider will expire 30 days after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
  - (iv) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee’s Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.
11. Non-Assignability of Options – Except in the case of death of an Optionee, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
12. Amendment of the Option Plan by the Board of Directors - Subject to the requirements of the TSXV Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion amend, or modify the Option Plan or any Option granted as follows:
  - (i) it may make amendments which are of a typographical, grammatical or clerical nature only;
  - (ii) amendments of a housekeeping nature;
  - (iii) it may change the vesting provisions of an Option granted pursuant to the Option Plan, subject to prior written approval of the TSXV, if applicable;
  - (iv) it may change the termination provision of an Option granted pursuant to the Option Plan which does not entail an extension beyond the original Expiry Date of such Option or 12 months from termination;

- (v) it may make amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSXV;
  - (vi) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
  - (vii) it may make such amendments as reduce, and do not increase, the benefits of the Option Plan to Service Providers.
13. Amendments Requiring Disinterested Shareholder Approval - The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (i) the Option Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
    - a) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;
    - b) the number of Common Shares issued to Insiders within a 12-month period exceeding 10% of the Outstanding Shares; or
    - c) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
  - (ii) any reduction in the Exercise Price or extension of the exercise period of an Option previously granted to an Insider.
14. Take Over Bid - If a Take Over Bid is made to the Shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding other applicable vesting requirements or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSXV (or the NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.
15. Black-out Period - The Option Plan also contains provision for a "Black-out Period". Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall, subject to approval of the TSXV (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth (10th) Business Day to be considered the Expiry Date for such Option for all purposes under the Option Plan. The tenth (10th) Business Day period referred to herein may not be extended by the Board. "**Black-out Period**" is defined in the Option Plan to mean an interval of time during which the Company has determined that one or more participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject).

**Cashless Exercise** – The Option Plan also contains a “cashless exercise” or “net exercise” basis. “Cashless exercise” is a method of exercising stock options in which a securities dealer loans funds to the option holder or sells the same shares as those underlying the option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. “Net exercise” is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. The current market price must be the 5-day volume weighted average trading price prior to option exercise. “Net exercise” may not be utilized by persons performing investor relations services.

### Outstanding Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Company’s Option Plan granted to each Director and NEO by the Company during the financial years ended December 31, 2021 and December 31, 2020:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date <sup>(2)</sup> of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end <sup>(3)</sup> (\$)	Expiry date <sup>(2)</sup>
<b>Ian L. Paterson</b> CEO & Director	Options	450,000 and 4.6%	2021-11-12	\$0.52	\$0.52	\$0.50	2031-11-12
		1,050,000 and 13%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		600,000 and 7%	2020-12-08	\$0.35	\$0.35	\$0.40	2030-12-08
<b>Roland Sartorius</b> CFO & Corporate Secretary	Options	150,000 and 1.5%	2021-11-12	\$0.52	\$0.52	\$0.50	2031-11-12
		900,000 and 11%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		600,000 and 7%	2020-12-08	\$0.35	\$0.35	\$0.40	2030-12-08
<b>Jord Tanner</b> CTO	Options	100,000 and 1%	2021-11-12	\$0.52	\$0.52	\$0.50	2031-11-12
		675,000 and 8%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
<b>Philip de Souza</b> President of US subsidiary	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		n/a	n/a	n/a	n/a	n/a	n/a
<b>Joel Eng</b> VP Information Technology of US subsidiary	Options	150,000 and 1.5%	2021-11-12	\$0.52	\$0.52	\$0.50	2031-11-12
		200,000 and 2%	2020-12-08	\$0.35	\$0.35	\$0.40	2030-12-08
<b>Robert Kiesman</b> Chairman of the Board & Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		750,000 and 9%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
		138,750 and 2%	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
<b>Barry Carlson</b> Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		300,000 and 4%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
<b>William Hammersla</b> Director	Options	100,000 and 1%	2021 03 05	\$0.56	\$0.56	\$0.50	2031-03-05
		300,000 and 4%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
<b>Michael McConnell</b> Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		300,000 and 4%	2020-10-27	\$0.34	\$0.34	\$0.40	2030-10-27
<b>Molly de Ramel</b> <sup>(5)</sup> Former Director	Options	100,000 and 1%	2021 03-14	\$0.67	\$0.67	\$0.50	2022-10-24
		nil	n/a	n/a	n/a	\$0.40	n/a
<b>Mark Orsmond</b> Former CFO, Corporate Secretary & Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		138,750 and 2%	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08

<b>Kendra Low</b> Former Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		138,750 and 2%	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08
<b>Merv Chia</b> Former Director	Options	nil	n/a	n/a	n/a	\$0.50	n/a
		138,750 and 2%	2020-10-27	\$0.20	\$0.34	\$0.40	2024-02-08

Notes:

1. Percentage of class represents % of compensation securities granted over the total number of compensation securities of the Company outstanding as of December 31, 2021 (9,761,907) and December 31, 2020 (9,702,407).
2. Date format is YYYY-MM-DD.
3. Closing price of the Issuer's common shares as at December 31, 2021 and December 31, 2020.
4. These options were replaced by options granted on October 27, 2020. [NTD: where in table is this indicated]
5. Deceased October 24, 2021. Forfeit 200,000 options; 100,000 vested (to estate).

## Exercise of Compensation Securities by NEOs and Directors

The following table sets out each exercise of an option-based award by an NEO or a director during the financial year ended December 31, 2021. There were no option-based awards exercised by an NEO or a director during the year ended December 31, 2020.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Kendra Low Former Director	Options	138,750	\$0.20	2021-02-09	\$0.71	\$0.51	\$98,512

## Employment, Consulting and Management Agreements

### *Engagement Agreement with Ian L. Paterson, CEO*

Mr. Paterson entered into an employment agreement with Plurilock dated January 1, 2016 (the “**Paterson Agreement**”). The Paterson Agreement was subsequently amended on November 28, 2016, June 1, 2017, October 11, 2018, April 1, 2020, December 8, 2020, and November 1, 2021. Pursuant to the Paterson Agreement, Mr. Paterson currently receives: (i) an annual base salary of \$230,000; and (ii) an annual bonus determined in discretion of the Plurilock Board of up to a maximum of \$150,000, in a combination of certain objective and subjective milestones. The objective milestones are: (i) a combination of a paid consolidated gross margin and Plurilock organic product target, each worth a maximum 50% of the Annual Bonus (ii) calculated and paid on a quarterly basis: A. 4.0% of consolidated gross margin up to a maximum of 50% of the Annual Bonus; and B. selling and collection of \$1 million Plurilock organic product sales in the Company’s fiscal ending December 31st, 2021. The term of the Paterson Agreement is indefinite. In the event of termination without cause, Mr. Paterson is entitled to a severance equal to twelve (12) month's salary.

The Plurilock Board considers that the salary paid to Ian Paterson is comparable within the industry. The Plurilock Board confirms that fees payable under the Paterson Agreement are fair and reasonable and were negotiated on an arm’s length basis with Ian Paterson and on conventional terms.

### ***Consulting Agreement with Roland Sartorius, CFO***

On November 1, 2017, Plurilock entered into a consulting agreement (the “**Sartorius Agreement**”) with RoJan Consulting Ltd., a private company owned and controlled by Roland Sartorius. The Sartorius Agreement was subsequently amended on June 15, 2018, November 1, 2018, April 1, 2020, December 8<sup>th</sup>, 2020, and November 01, 2021. Pursuant to the terms of the Sartorius Agreement, Mr. Sartorius acts as Plurilock’ s CFO and Corporate Secretary and currently receives (i) an annual base fee of \$180,000 plus applicable taxes and (ii) an annual bonus to a maximum of \$37,500. The term of the Sartorius Agreement is indefinite. In the event of termination without cause, Mr. Sartorius is entitled to severance of twelve (12) months’ consulting fees.

The Plurilock Board considers that the fees paid to Roland Sartorius are comparable within the industry. The Plurilock Board confirms that fees payable under the agreement are fair and reasonable and were negotiated on an arm’s length basis with Roland Sartorius and on conventional terms.

### ***Employment Agreement with Jord Tanner, CTO***

Mr. Tanner entered into an employment agreement with Plurilock dated February 8, 2018 (the “Tanner Agreement”) and amended on November 01, 2021. Pursuant to the Tanner Agreement, Mr. Tanner currently receives (i) an annual base salary of \$175,000 and (ii) an annual bonus of \$10,000 per year. The term of the Tanner Agreement is indefinite, though either party may terminate the Tanner Agreement subject to statutory requirements. The Tanner Agreement does not contain any provisions with respect to change of control, severance, termination or constructive dismissal.

The Plurilock Board considers that the salary paid to Jord Tanner is comparable within the industry. The Plurilock Board confirms that fees payable under the Tanner Agreement are fair and reasonable and were negotiated on an arm’s length basis with Jord Tanner and on conventional terms.

### ***Employment Agreement with Philip de Souza, President of the US subsidiary***

Mr. de Souza entered into an employment agreement with Plurilock dated April 01, 2021 (the “de Souza Agreement”) Pursuant to the de Souza Agreement, Mr. de Souza currently receives (i) an annual base salary of \$185,518 (USD \$148,000) and (ii) an annual bonus equal to 25% of the net income of the Company in excess of the earn out target (as defined in the Share Purchase Agreement. and based on the Company's audited financial statements). The bonus for the 2021 fiscal year will be calculated on the Company's net income from April 1, 2021, to December 31, 2021. The de Souza Agreement is "at-will". This means that it is not for any specified period and can be terminated by either party at any time, for any reason, with or without any cause or advance notice. The de Souza Agreement does not contain any provisions with respect to change of control, severance, termination, or constructive dismissal.

The Plurilock Board considers that the salary paid to Philip de Souza is comparable within the industry. The Plurilock Board confirms that fees payable under the de Souza Agreement are fair and reasonable and were negotiated on an arm’s length basis with Mr. de Souza and on conventional terms.

### ***Employment Agreement with Joel Eng, VP Information Security of the US subsidiary***

Mr. Eng entered into an employment agreement with Plurilock dated December 30, 2020 (the “Eng Agreement”) and amended on August 12, 2021. Pursuant to the Eng Agreement, Mr. Eng currently receives an annual base salary of \$169,223 (USD \$135,000) The Eng Agreement is "at-will". This means that it is not for any specified period and can be terminated by either party at any time, for any reason, with or without any cause or advance notice. The Eng Agreement does not contain any provisions with respect to change of control, severance, termination, or constructive dismissal.

The Plurilock Board considers that the salary paid to Joel Eng is comparable within the industry. The Plurilock Board confirms that fees payable under the Eng Agreement are fair and reasonable and were negotiated on an arm's length basis with Joel Eng and on conventional terms.

### ***Employment Agreement with Robert Kiesman, Chairman and Director***

Mr. Kiesman entered into an employment agreement with Plurilock dated September 17, 2020 (the "Kiesman Agreement"). Pursuant to the Kiesman Agreement, Mr. Kiesman shall receive up to 750,000 stock options (the "Options"), exercisable at the Company's closing market price per share the date before the date of grant, expiring ten years from the date of grant and vesting over a period of 36 months. If Mr. Kiesman ceases to be a member of the Board anytime during the vesting period for any reason, then any unvested stock options shall be irrefutably forfeited. If, during the term of the Kiesman Agreement, there is a change of control, Mr. Kiesman will be entitled to a lump sum payment from the Company in an amount equal to \$100,000.00 concurrently with closing of the change of control transaction. Additionally, all Options granted to Mr. Kiesman will be immediately vested upon the occurrence of such change of control.

Other than as set out above, there are presently no management contracts with the Company.

### **Oversight and Description of Director and NEO Compensation**

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary ("**Base Salary**"), an incentive compensation plan ("**Incentive Compensation**") and equity compensation (the "**Equity Compensation**") designed to be competitive with comparable employers. In considering executive management's compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company's NEOs, including the CEO and the CFO is determined by the Company's Compensation Committee. The Compensation Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Compensation Committee is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The compensation committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

### Philosophy and Objectives

The Company is a small company with limited resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review. No specific "peer group" is used to determine the compensation.

### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and competitive factors. The amounts and terms of options granted are determined by the compensation committee based on recommendations put forward by the CEO.

### Risks Associated with the Company's Compensation Practices

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

### Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the technology industry, which were of the same size as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;

- (b) salaries paid by other companies in the technology industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Financial years ended December 31, 2021 and December 31, 2020

During the financial years ended December 31, 2021 and December 31, 2020, compensation of key management personnel and related parties were as follows:

Name and Position	December 31, 2021	December 31, 2020
Remuneration, bonus, fees and short-term benefits	\$	\$
Ian L. Paterson, CEO and Director	250,090	- 252,502
Roland Sartorius, CFO and Corporate Secretary	192,500	207,200
Jord Tanner, CTO	142,045	151,852
Philip de Souza, President US subsidiary	278,837	n/a
Joel Eng, VP Information Security US subsidiary	162,363	n/a
Robert Kiesman Chairman of the Board and Director	Nil	Nil
Barry Carlson, Director	Nil	1,742
William Hammersla, Director	Nil	Nil
Michel McConnell, Director	Nil	Nil
Mark Orsmond Former CFO, Corporate Secretary & Director	Nil	Nil
Kendra Low, Former Director	Nil	Nil
Merv Chia, Former Director	Nil	Nil
Molly de Ramel, Former Director	Nil	n/a
<b>Total</b>	<b>1,025,834</b>	<b>613,296</b>

The remuneration, fees and short-term benefits were allocated to general and administrative, sales and marketing, and research and development expenses.

The remuneration, fees and short-term benefits include salaries and bonus accrued to the CEO and CTO as well consulting fees accrued to the CFO of the Company. The employment agreements and consulting agreement with the CEO, CFO and CTO were ratified by the Board of Directors and are reviewed periodically.

As at December 31, 2021, \$nil (December 31, 2020 - \$nil) was due to related parties.

The following table set forth the outstanding balances owed by the Company to related parties of each NEO and a director who was not a NEO as at financial years ended December 31, 2021 and December 31, 2020:

<b>Due to Related Parties</b>	
<b>December 31, 2021</b>	<b>December 31, 2020</b>
\$ nil	\$ nil

*Benefits and Perquisites*

The Company does not, as of the date of this Form, offer any benefits or perquisites to its NEOs other than normal health benefits and potential grants of incentive stock options or as otherwise disclosed and discussed herein.

*Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

**Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.