

PETRO VISTA ENERGY CORP.

**Special Meeting
to be held on November 29, 2018**

**Notice of Special Meeting
and
Information Circular**

October 26, 2018

PETRO VISTA ENERGY CORP.

Suite 1430, 800 West Pender Street, Vancouver, B.C., V6C 2V6

Telephone: 604-638-8063

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of the shareholders of Petro Vista Energy Corp. (the “**Company**”) will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia on November 29, 2018 10:00 a.m. (Vancouver, British Columbia time), for the following purposes:

1. to elect the directors of the Company, conditional and effective upon the closing of the proposed business combination transaction (the “**Business Combination**”) between the Company and 3 Sixty Secure Corp. (“**3Sixty**”) as described in the accompanying management information circular of the Company (the “**Information Circular**”) prepared for the purpose of the Meeting (the “**Business Combination Election of Directors**”);
2. to appoint MNP LLP as the auditor of the Company to hold office, conditional and effective upon the closing of the Business Combination and to authorize the directors of the Company to fix the remuneration of the auditor so appointed (the “**Business Combination Auditor Resolution**”);
3. to consider, and if deemed advisable, pass, with or without variation, an ordinary resolution to approve, conditional and effective upon the closing of the Business Combination, the new stock option plan of the Company (the “**Business Combination Stock Option Plan Resolution**”); and
4. to consider, and if deemed advisable, pass, with or without variation, an ordinary resolution to voluntarily delist the common shares of the Company (the “**Common Shares**”) from the TSX Venture Exchange in connection with the Business Combination (the “**Delisting Resolution**”).

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver, British Columbia time) on November 27, 2018 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on October 26, 2018 will be entitled to vote at the Meeting.

The Information Circular accompanying this Notice contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

DATED at Vancouver, British Columbia, the 26th day of October, 2018.

ON BEHALF OF THE BOARD

“*Dan Placzek*”

Dan Placzek, Director

PETRO VISTA ENERGY CORP.

Suite 800, 789 West Pender Street
Vancouver, B.C., V6C 1H2
Telephone: 604-638-8067

INFORMATION CIRCULAR

(as at October 26, 2018 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of Petro Vista Energy Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the special meeting of the shareholders of the Company to be held on November 29, 2018 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on November 27, 2018, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The common shares of the Company (“Common Shares”) represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those Common Shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations

to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (“Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a NOBO and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a NOBO, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents. The Company will assume the costs associated with the delivery of the Notice of Meeting, Circular and VIF, as set out above, to OBOs by intermediaries.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on November 26, 2018. **A NOBO Shareholder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of Common Shares of which 5,202,602 Common Shares are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote.

Shareholders registered as at October 26, 2018, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, there are no shareholders who beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

In connection with the proposed Business Combination, including the amalgamation (the "Amalgamation") under the *Business Corporations Act* (Ontario), of a wholly-owned subsidiary of the Company and an entity ("Amalco") to be formed by the prior amalgamation of 3Sixty and Total Cannabis Security Solutions Inc. ("TCSS"), as disclosed in the news release of the Company dated September 21, 2018 and filed on SEDAR at www.sedar.com, the Company would be required to elect the 3Sixty board nominees, appoint new auditors, adopt a stock option plan, and approve the delisting of its Common Shares from the TSXV. Accordingly, the shareholders are asked to consider and approve, conditional on the Business Combination being completed, the matters listed below. If the Business Combination will not proceed, the Company will not implement such matters notwithstanding the approval of such matters at the Meeting.

1. Business Combination Election of Directors

In accordance with the articles of the Company (the "Articles"), the board of directors of the Company has determined to increase the number of directors to five (5) directors, conditional and effective upon the closing of the Business Combination.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director conditional and effective upon the closing of the Business Combination (the "3Sixty Director Nominees"), all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation and Positions Held During the Last Five Years	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present	Percentage of Voting Shares Owned or Controlled
Gaetan Lussier <i>Ottawa, Canada Chairman</i>	President/member of Shoppers Drug Mart Board	N/A	Nil	N/A

Thomas Gerstenecker <i>Ottawa, Canada</i> <i>Chief Executive Officer & Director</i>	Founder and CEO of 3 Sixty Secure Corp.	N/A	Nil	N/A
Nancy Croitoru <i>Toronto, Canada</i> <i>Director</i>	CEO of Food & Consumer Products Canada	N/A	Nil	N/A
Vernon White <i>Ottawa, Canada</i> <i>Director</i>	Canadian Senator	N/A	Nil	N/A
Igor Gimelshtein <i>Toronto, Canada</i> <i>Director</i>	CFO of MedReleaf	N/A	Nil	N/A

Biographies

Gaetan Lussier, Chairman

Gaetan brings a wealth of diverse expertise as Chairman of the board of directors of 3Sixty (the “**3Sixty Board**”). He holds a B.S.A, M.Sc, PhD, and O.C. In 1981, he was awarded the Order of Canada. Gaetan served as the Deputy Minister for 18 years, 12 of which in Ottawa. Previously, he has been the president of two food companies, and a member of various corporate boards, including the board of directors for Shoppers DrugMart.

Thomas Gerstenecker, Chief Executive Officer and Director

Thomas is the Founder and Chief Executive Officer of 3Sixty. Thomas is a well-known expert, and industry leader within the international security field with more than 25 years’ experience. Prior to founding 3Sixty, Thomas spent more than 15 years working for the United Nations worldwide as Chief Security Advisor. He also spent many years with Canada’s special forces group, Joint Task Force Two. Thomas holds a Master of Science degree in Risk, Crisis, and Disaster Management from the University of Leicester, and is also a certified business continuity professional.

Vernon White, Director

Vernon is a Canadian Senator and former Chief of Police for the Ottawa Police Service. Prior to his term as Ottawa’s Chief of Police, Vernon led the Regional Police Service in Durham, Ontario and spent over 20 years with the Royal Canadian Mounted Police in various roles, including as an Assistant Commissioner. He has been honoured with a number of awards over the years, including a Commissioners Commendation, a Queen’s Jubilee Medal, and a United Way Community Builder of the Year Award.

Nancy Croitoru, Director

Nancy brings a diverse background of senior leadership roles to the 3Sixty Board. She has worked as a successful entrepreneur, multi-national senior executive and industry leader. Nancy is an institute-certified Board Director and has international experience in the food and consumer goods industry. Previously, she was President and Chief Executive Officer of Food & Consumer Products of Canada (FCPC) for 13 years. During her tenure, FCPC was able to save the industry hundreds of millions of dollars by creating supply chain and operational efficiencies.

Igor Gimelshtein, Director

Igor has extensive experience in leadership on financial matters, including capital structure, forecasting, budgeting and reporting, as well as corporate development and data-driven business optimization. Igor was

the Chief Financial Officer of MedReleaf, prior to its acquisition by Aurora Cannabis, and holds an HBA (Ivey Scholar) degree from the Richard Ivey School of Business at Western University. Previously, he was a Vice-President at Birch Hill Equity Partners, a Canadian mid-market private equity firm.

Each director elected will hold office conditional and effective upon the closing of the Business Combination until the next annual meeting of the shareholders of the Company, or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company or the provisions of the business corporations act to which the Company is subject.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES CONDITIONAL AND EFFECTIVE UPON THE CLOSING OF THE BUSINESS COMBINATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Corporate Cease Trade Orders or Bankruptcies

No proposed 3Sixty Director Nominee, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an “Order”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed 3Sixty Director Nominee, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed 3Sixty Director Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed 3Sixty Director Nominees have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the proposed 3Sixty Director Nominees have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority 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.

2. Business Combination Appointment of Auditor

The shareholders will be asked to vote for the appointment of MNP LLP as auditor of the Company, to hold office conditional and effective upon the closing of the Business Combination.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MNP LLP AS AUDITORS OF THE COMPANY TO HOLD OFFICE CONDITIONAL AND EFFECTIVE UPON THE CLOSING OF THE BUSINESS COMBINATION UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS OR UNTIL MNP LLP IS REMOVED FROM OFFICE OR RESIGNS AS PROVIDED BY THE COMPANY'S BY-LAWS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

The appointment of MNP LLP, as auditors of the Company will only be effective in the event that the Business Combination is successfully completed.

3. Approval of the New Stock Option Plan

The Company intends to implement a stock option plan (the “**New Stock Option Plan**”) following the closing of the Business Combination. A copy of the New Stock Option Plan is attached hereto as Appendix “A.” The principal features of the New Stock Option Plan are summarized below:

- (a) Participation in the Plan – The Board shall, from time to time and in its sole discretion, determine those executives, employees and consultants to whom stock options (“**Options**”) are to be granted;
- (b) Maximum Plan Shares - Subject to adjustment as provided for in the New Stock Option Plan, the number of Shares which will be reserved for issuance pursuant to Options granted pursuant to the New Stock Option Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will be 10% of the number of Common Shares outstanding from time to time (the “**Outstanding Issue**”);
- (c) Limitations on Issue - the following limitations shall apply to the New Stock Option Plan and Options issued thereunder:
 - i. the maximum number of Options which may be granted to any one holder (an “**Option Holder**”) under the New Stock Option Plan within any 12 month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval if required by the rules of any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction (“**Regulatory Rules**”));
 - ii. if required by Regulatory Rules, disinterested shareholder approval is required for the grant to related persons, within a 12 month period, of a number of Options which, when added to the number of outstanding incentive stock options granted to such related persons within the

previous 12 months, exceeds 10% of the issued Common Shares;

- iii. the expiry date of an Option shall be no later than the tenth anniversary of the grant date of such Option;
- iv. the maximum number of Options which may be granted to any one consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
- v. the maximum number of Options which may be granted within any 12 month period to employees or consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

(d) Exercise Price. The exercise price at which an Option Holder may purchase a Common Share upon the exercise of an Option shall be determined by the Board and shall be set out in the option certificate issued in respect of the Option. The exercise price shall not be less than the market value of the Common Shares as of the grant date. The market value of the Common Shares for a particular grant date shall be determined as follows:

- i. for each organized trading facility on which the Common Shares are listed, market value will be the closing trading price of the Common Shares on the day immediately preceding the grant date (as defined in the New Stock Option Plan), and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities;
- ii. if the Common Shares are listed on more than one organized trading facility, the market value shall be the market value as determined in accordance with subparagraph (i) above for the primary organized trading facility on which the Common Shares are listed, as determined by the Board, subject to any adjustments as may be required to secure all necessary regulatory approvals;
- iii. if the Common Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the grant date, then the market value will be, subject to any adjustments as may be required to secure all necessary regulatory approvals, such value as is determined by the Board; and
- iv. if the Common Shares are not listed on any organized trading facility, then the market value will be, subject to any adjustments as may be required to secure all necessary regulatory approvals, such value as is determined by the Board to be the fair value of the Common Shares, taking into consideration all factors that the Board deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the market value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the grant date in question.

(e) Vesting of Options and Acceleration. The vesting schedule for an Option, if any, shall be determined by the Board and shall be set out in the option certificate issued in respect of the Option. The Board may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a triggering event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder.

(f) Termination of Option. Subject to such other terms or conditions that may be attached to Options, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the exercise period. Any Option or part thereof not exercised within the exercise period shall terminate and become null, void and of no effect as of the expiry time on the expiry date. The expiry date of an

Option shall be the earlier of the date so fixed by the Board at the time the Option is granted as set out in the option certificate and the date established under the New Stock Option Plan including:

- 1) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an executive and such Option Holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Board and expressly provided for in the option certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - i. ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - ii. a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any subsidiary; or
 - iii. an order made by any regulatory authority having jurisdiction to so order,

in which case the expiry date shall be the date the Option Holder ceases to hold such position; or

- 2) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an employee or consultant and such Option Holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise determined by the Board and expressly provided for in the option certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
 - i. termination for cause;
 - ii. resigning his or her position; or
 - iii. an order made by any regulatory authority having jurisdiction to so order,

in which case the expiry date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of executive, employee or consultant for which the Option was originally granted, but comes to hold a different position as an executive, employee or consultant prior to the expiry of the Option, the Board may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the expiry date of the Option.

- 3) *Death and/or Disability of an Option Holder* – In the event of the Option Holder's death, disability or disability and death, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of (a) one year following the date of death, disability or disability and death; and (b) the applicable expiry date.

- 4) *Triggering Events* – Subject to the Company complying with s. 11.5 of the New Stock Option Plan, *Notice of Termination by Triggering Event*, and any necessary regulatory approvals and notwithstanding any other provisions of this New Stock Option Plan or any option certificate, the Board may, without the consent of the Option Holder in question:
- i. cause all or a portion of any of the Options granted under the New Stock Option Plan to terminate upon occurrence of a triggering event; or
 - ii. cause all or a portion of any of the Options granted under the New Stock Option Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a triggering event in such ratio and at such exercise price as the committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent.

(g) Assignability of Options. All Options will be exercisable only by the Option Holder to whom they are granted and will not be assignable or transferable, except upon death or disability of the Option Holder, and in such case will be exercisable, within a limited period of time, only by the personal representative of such Option Holder.

(h) Amendments. Subject to any required regulatory approvals, the Board may from time to time amend any existing Option or the New Stock Option Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- i. materially decrease the rights or benefits accruing to an Option Holder; or
- ii. materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of the New Stock Option Plan, the Board must also obtain the written consent of the Option Holder in question to such amendment. If at the time the exercise price of an Option is reduced the Option Holder is a related person of the Company, the related person must not exercise the Option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company, if required by the rules of the any applicable stock exchange.

Shareholders will be asked to consider and if deemed advisable, pass, with or without variation, an ordinary resolution to approve, conditional and effective upon the closing of the Business Combination, the New Stock Option Plan (the “**Business Combination Stock Option Plan Resolution**”).

The text of the Business Combination Stock Option Plan Resolution to be considered at the Meeting will be substantially as follows:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. **the stock option plan of the Company be approved substantially in the form attached as Appendix “A” to the management information circular dated October 26, 2018 of the Company (the “New Stock Option Plan”) and the New Stock Option Plan be and is hereby ratified, approved and adopted as the stock option plan of the Company;**

2. **the form of the New Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;**
3. **the issued and outstanding stock options previously granted shall be continued under and governed by the New Stock Option Plan;**
4. **the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
5. **any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”**

The Board recommends that shareholders vote in favour of the Business Combination Stock Option Plan Resolution as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE BUSINESS COMBINATION STOCK OPTION PLAN RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

5. Approval of Voluntary Delisting from the TSXV

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, pass, with or without variation, an ordinary resolution (the “**Delisting Resolution**”), to approve the voluntary delisting of the Common Shares from the TSXV (the “**Delisting**”). It is a condition to the Business Combination that the Delisting be approved by the TSXV, which approval shall only be permitted with the prior approval of the Company’s shareholders. The Delisting is intended to be effected immediately prior to the closing of the Business Combination. If shareholders approve the ordinary resolution to authorize the Delisting, the Common Shares will be delisted from the TSXV and therefore will no longer be available for purchase or sale through the TSXV. Following Delisting, and conditional upon and to be effective following Closing, the Common Shares shall, subject to approval of the CSE, be listed on the CSE.

As the Delisting will only be effected if the Business Combination will be proceeding, the Board may determine not to implement the Delisting after the Meeting and after receipt of necessary shareholder and regulatory approvals, without further action on the part of the shareholders. The Board believes that the Delisting is in the best interests of the Company and therefore unanimously recommends that shareholders vote in favour of the Delisting Resolution.

In order to pass the Delisting Resolution, at least a majority of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Delisting Resolution, excluding votes attaching to the Common Shares held by promoters, directors, officers and other insiders of the Corporation, in accordance with the requirements of the TSXV.

The text of the Delisting Resolution to be voted on at the Meeting by the shareholders is set forth below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- 1. the Company is hereby authorized to voluntarily delist its securities from the TSX Venture Exchange (the “Delisting”);**
- 2. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and empowered to revoke this resolution at any time prior to it being acted upon and to determine not to proceed with Delisting without further approval of the shareholders of the Company; and**
- 3. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”**

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE DELISTING RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

During the financial year ended September 30, 2018, the Company had three Named Executive Officers (“NEOs”) being, Dan Placzek who was appointed Chief Executive Officer, President and Corporate Secretary on November 17, 2017, Adam Kniec, the Chief Financial Officer and Darren Devine, the former acting President and Chief Executive Officer who resigned November 17, 2017.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

The fundamental goal of the Company is to create value for its shareholders and growth of the Company. Compensation plays an important role in achieving short and long-term business objectives and in serving this goal. The Company’s compensation program is designed to:

- (a) align the interests of executive officers with shareholder interests to maximize long-term shareholder value;
- (b) link executive compensation to the performance of the Company and its strategic plan;
- (c) compensate executive officers at a level that ensures the Company is able to attract, motivate and retain highly qualified individuals with exceptional skills; and

- (d) to evaluate executive performance on the basis of the Company's overall performance and achievements and building long-term shareholder value.

The Company considers that objective corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the Company's Named Executive Officers. The Company also may consider other factors in setting executive compensation including quantitative and qualitative measurement of corporate and individual performances, peer group review, general market performance data, executive training and development and overall management of the Company. The Company's objective is to facilitate an increase in shareholder value, retention of qualified executives, and growth of the Company through the achievement of corporate and individual performance goals under the leadership of the Named Executive Officers. At present, since the Company is largely inactive, no specific performance goals or similar conditions have been set in determining NEO compensation.

To date, no specific formulas have been developed to assign a specific weighting to the cash-based versus option-based compensation components. Instead, the Board of Directors considers the Company's performance annually, including the factors described above, and assigns compensation based on this assessment.

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long term sustainability. The Board of Directors does not believe that the Company's compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Company has not established a policy on whether an NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The NEOs and directors have advised the Company that they have not entered into any such arrangement.

The Company does not have a pension plan or a long term incentive plan.

Option-Based Compensation

The Company has an incentive stock option plan (the "**Stock Option Plan**") designed to encourage ownership on the part of management and others. The Board of Directors believes that the plan aligns the interests of the executive officers with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

The Stock Option Plan is currently administered by the Board of Directors. The Board of Directors grants options based on recommendations received from the chief executive officer and, where possible, assessment of individual contributions to shareholder value. The number of options awarded is generally commensurate with the level of base compensation for each level of responsibility of management of the Company.

Previous grants of option-based awards are taken into account when considering new grants.

In addition to determining the number of options to be granted, the Board also sets (1) the exercise price for options granted, subject to the provision that the exercise price shall not be less than the minimum price

permitted by the policies of the CSE, (2) the date of expiry of the options and (3) the vesting period (if any) for each stock option.

See “Equity Compensation Plan Information” below for a detailed description of the Stock Option Plan.

Summary Compensation Table

Set out below is a summary of compensation paid or accrued during the Company’s three most recently completed financial years to the Company’s NEOs.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽⁴⁾	Option-based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)		Pension value (\$) ⁽⁷⁾	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans ⁽⁶⁾	Long-term incentive plans ⁽⁶⁾			
Dan Placzek, Chief Executive Officer, President, Corporate Secretary, Director ⁽¹⁾	2018	10,000	Nil	Nil	Nil	Nil	Nil	Nil	10,000
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Adam Kniec CFO ⁽²⁾	2018	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000
	2017	33,000	Nil	Nil	Nil	Nil	Nil	Nil	33,000
	2016	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
Darren Devine former Chief Executive Officer, former President ^{(3) (8)}	2018	2,000	Nil	Nil	Nil	Nil	Nil	Nil	2,000
	2017	45,000	Nil	Nil	Nil	Nil	Nil	Nil	45,000
	2016	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000

Notes:

- (1) No fees were paid in connection with Dan Placzek’s directorship.
- (2) These fees were paid to a company owned by Adam Kniec (ArkOrion Enterprises Inc.).
- (3) These fees were paid to a company owned by Darren Devine (Chelmer Consulting Corp.).
- (4) At the end of the most recently completed financial year, there were no share-based awards held by the NEOs of the Company.
- (5) At the end of the most recently completed financial year, there were no option-based awards held by the NEOs of the Company.
- (6) No annual or long term incentive plan awards were earned or vested by any NEO during the most recently completed financial year.
- (7) The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.
- (8) On November 17, 2017, Darren Devine resigned as a Director, CEO, President and Corporate Secretary of the Company.

Employment, Consulting and Management Agreements

The NEO's have not entered into employment agreements with the Company, except as provided below.

The Company entered into a consulting agreement with ArkOrion Enterprises Inc. dated February 1, 2010 and amended on September 1, 2013 (the "**Kniec Consulting Agreement**") pursuant to which Mr. Kniec provides services to the Company. Pursuant to the Kniec Consulting Agreement, ArkOrion Enterprises Inc. receives a monthly fee of C\$8,000, reduced to C\$1,000 effective January 1, 2017 upon the closing of the sale of the Company's oil and gas assets to Maha Energy Inc. 100% of the value of the service payment paid by the Company is then paid to Mr. Kniec as compensation for his services to ArkOrion Enterprises Inc. The Kniec Consulting Agreement can be terminated by either party upon providing 60 days written notice or payment of two months' of fees in lieu of notice.

The CEO services of Dan Placzek are not provided under any written agreement. Mr. Placzek invoices the Company \$1,000 per month for his services.

Neither the Company, nor its subsidiaries, have a contract, agreement, plan or arrangement that provides for payments to an NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control. No NEO is party to any non-compete, non-solicitation, non-disparagement or confidentiality agreement with the Company.

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. At the end of the most recently completed financial year, there were no option-based awards held by the NEOs of the Company.

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards were earned or vested by any NEO during the most recently completed financial year.

Director Compensation

Other than compensation paid to the NEOs, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board of Directors or of a committee of the Board of Directors or its subsidiaries, or as consultants or experts, during the most recently completed year ended.

The Company does not have any share-based awards held by any director. At the end of the most recently completed financial year, there were no option-based awards held by the directors of the Company.

No incentive plan awards were earned or vested by any director during the most recently completed financial year.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at September 30, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in columns (a) and (b))⁽¹⁾
Equity compensation plans approved by the securityholders	Nil	N/A	520,260
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	Nil	N/A	520,260

The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of the stock option grant. As at the date of this Circular, 520,260 stock options may be issued under the Stock Option Plan and they are all available for future issue under the Stock Option Plan.

The following is a summary of the material terms of the Stock Option Plan:

- (a) stock options granted under the Stock Option Plan have an expiry date not to exceed ten years from the date of grant;
- (b) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Stock Option Plan;
- (c) stock options vest as required by the TSX Venture Exchange and as may be determined by the administrator of the Stock Option Plan, currently being the Board of Directors;
- (d) the minimum exercise price of any stock options issued under the Stock Option Plan are determined by the Board of Directors at the time of grant, subject to the requirements of the TSX Venture Exchange;
- (e) stock options expire 90 days after an optionee ceases to be involved with the Company, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Company;
- (f) the Company cannot grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding common shares of the Company;
- (g) the Company cannot grant options in any 12 month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Company and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period;
- (h) in connection with the exercise of an option, as a condition to such exercise the Company may

require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and

(i) if a change of control, as described in the Stock Option Plan, occurs, all unvested options immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the TSX Venture Exchange.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed in this Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

GENERAL MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements for September 30, 2017, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at www.sedar.com. Additional financial information concerning the Company may be obtained by any security holder of the Company free of charge by contacting the Company, at +1-604-638-8063.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 26th day of October, 2018.

ON BEHALF OF THE BOARD

“Dan Placzek”

Dan Placzek
Director

APPENDIX "A"
NEW STOCK OPTION PLAN

Attached

3 SIXTY SECURE CORP.
STOCK OPTION PLAN

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STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “**Associate**” means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person's spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, related persons or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) “**Board**” means the board of directors of the Company.
- (e) “**Change of Control**” means an occurrence when either:
 - (i) a Person or Entity, other than the current “control person” of the Company (as that term is defined in the *Securities Act*), becomes a “control person” of the Company; or
 - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.

- (f) “**Committee**” means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (g) “**Company**” means 3 Sixty Secure Corp.
- (h) “**Consultant**” means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a “distribution” (as that term is described in the *Securities Act*);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (h)(v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (i) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
 - (ii) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (i) “**CSE**” or “**Exchange**” means the Canadian Securities Exchange.
 - (j) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
 - (k) “**Employee**” means:
 - (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be

permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or

- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (l) **“Executive”** means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
 - (ii) any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) **“Exercise Notice”** means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, or by written notice in the case of uncertificated Shares, duly executed by the Option Holder.
- (n) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (o) **“Exercise Price”** means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (p) **“Expiry Date”** means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (q) **“Expiry Time”** means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Toronto, Ontario on the Expiry Date.
- (r) **“Grant Date”** means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can

be exercised unless and until all necessary Regulatory Approvals have been obtained.

- (s) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company, that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) Applicable Securities Laws;
 - (B) CSE requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the CSE.
- (t) **“Market Value”** means the market value of the Shares as determined in accordance with section 5.3.
- (u) **“Option”** means an incentive share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company.
- (v) **“Option Certificate”** means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (w) **“Option Holder”** means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.

- (x) **“Outstanding Issue”** means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (y) **“Person or Entity”** means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (z) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (aa) **“Plan”** means this stock option plan as from time to time amended.
- (bb) **“Pre-Existing Options”** has the meaning ascribed thereto in section 4.1.
- (cc) **“Regulatory Approvals”** means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (dd) **“Regulatory Authorities”** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (ee) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ff) **“Related Entity”** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second person,
 - (ii) a written agreement or indenture,

- (iii) being the general partner or controlling the general partner of the second person, or
- (iv) being a trustee of the second person;
- (gg) **“Related Person”** means:
 - (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (hh) **“Securities Act”** means the *Securities Act* (Ontario), RSBC 1996, c.418 as from time to time amended.
- (ii) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (jj) **“Subsidiary”** means a wholly-owned or controlled subsidiary corporation of the Company.
- (kk) **“Triggering Event”** means:
 - (i) the proposed dissolution, liquidation or wind-up of the Company;
 - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
 - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
 - (iv) a proposed Change of Control of the Company;
 - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
 - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.

- (II) “Vest” or “Vesting” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 **Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of Ontario.

1.3 **Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 GRANT OF OPTIONS

2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly

contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 Purpose of Plan

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

3.2 Participation in Plan

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 Limits on Option Grants

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12 month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval if required by Regulatory Rules);
- (b) if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Related Persons, within a 12 month period, of a number of Options which, when added to the number of outstanding incentive stock options granted to Related Persons within the previous 12 months, exceed 10% of the issued Shares;
- (c) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (d) the maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
- (e) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12

months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan.

3.4 **Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.5 **Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

3.6 **Limitation on Service**

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.7 **No Obligation to Exercise**

Option Holders shall be under no obligation to exercise Options.

3.8 **Agreement**

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.9 **Notice**

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.10 **Representation**

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

**SECTION 4
NUMBER OF SHARES UNDER PLAN**

4.1 **Board to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 **Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be reserved for issuance pursuant to Options granted pursuant to this Plan, plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue from time to time. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 **Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

**SECTION 5
TERMS AND CONDITIONS OF OPTIONS**

5.1 **Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate issued in respect of such Option.

5.2 **Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 **Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Shares are listed, Market Value will be the closing trading price of the Shares on the day immediately preceding the Grant Date, and may be less than this price if it is within the discounts permitted by the applicable Regulatory Authorities;
- (b) if the Company's Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Company's Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Company's Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

5.4 **Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the

Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
- (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
- (i) termination for cause;
 - (ii) resigning his or her position; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.5 **Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

5.6 **Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 **Non-transferable**

Except as provided otherwise in this section 6, Options are non-assignable and non-transferable.

6.2 **Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 **Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 **Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 **Vesting**

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

6.6 **Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 **Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, or by written notice in the case of uncertificated Shares, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise.

7.2 **Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the notice of exercise as described in section 7.1 and payment in full for the Optioned Shares being acquired, the Administrator will direct its transfer agent to issue to the Option Holder the appropriate number of Shares in either certificate form or at the election of the Option Holder, on an uncertificated basis pursuant to the

instructions given by the Option Holder to the Administrator. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Shares.

7.3 **No Rights as Shareholder**

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the Shares, the decision of the Committee shall be final, conclusive and binding.

7.4 **Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

SECTION 8 ADMINISTRATION

8.1 **Board or Committee**

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 **Powers of Committee**

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;

- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted; and
 - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 **Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 **Interpretation**

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the

Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder; then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is a Related Person of the Company, the Related Person must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates for the Shares or the written notice in the case of uncertificated Shares representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the

necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 **Inability to Obtain Regulatory Approvals**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 **Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

11.2 **No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 **Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company. Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 **Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 **Notice of Termination by Triggering Event**

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

11.6 **Determinations to be Made By Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

[Include legends prescribed by Regulatory Authorities, if required.]

3 SIXTY SECURE CORP.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of **3 Sixty Secure Corp.** (the “**Company**”) and evidences that _____ [*Name of Option Holder*] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to _____ common shares (the “**Shares**”) in the capital stock of the Company at a purchase price of CDN\$ _____ per Share (the “**Exercise Price**”). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Toronto, Ontario (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is _____, 20__; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is _____, 20__.

To exercise this Option, the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, or written notice in the case of uncertificated Shares, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends on the certificate or the written notice in the case of uncertificated shares prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented hereby have not been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state of the united states. The holder hereof, by purchasing such securities, agrees for the benefit of the Company that such securities may be offered, sold or otherwise transferred only (a) to the Company; (b) outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act; (c) in accordance with the exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in compliance with any applicable state securities laws; or (d) in a transaction that does not require registration under the U.S. Securities Act and any applicable state securities laws, and, in the case of paragraph (c) or (d), the seller furnishes to the Company an opinion of counsel of recognized standing in form and substance satisfactory to the Company to such effect.

The presence of this legend may impair the ability of the holder hereof to effect “**good delivery**” of the securities represented hereby on a Canadian stock exchange.”

3 SIXTY SECURE CORP.
by its authorized signatory:

[Name & Title of Authorized Signatory]

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) _____ Shares (_____%) will vest and be exercisable on or after the Grant Date;
 - (b) _____ additional Shares (_____%) will vest and be exercisable on or after _____
_____ [date];
 - (c) _____ additional Shares (_____%) will vest and be exercisable on or after _____
_____ [date];
 - (d) _____ additional Shares (_____%) will vest and be exercisable on or after _____
_____ [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.4(a) or 5.4(b) of the Plan, the Expiry Date of the Option shall be _____ ***[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]*** following the date the Option Holder ceases to hold such position.

