

# **ETRION CORPORATION**

**NOTICE OF MEETING AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL MEETING  
OF HOLDERS OF COMMON SHARES**

**TO BE HELD ON JUNE 28, 2019**

This Notice and Management Information Circular is furnished in connection with the solicitation by the management of Etrion Corporation of proxies to be voted at the annual general meeting of holders of common shares.

To be held at:

Offices of WeirFoulds LLP  
TD Bank Tower  
Suite 4100, 66 Wellington Street West  
Toronto, Ontario M5K 1B7 Canada  
at 10:00 a.m. (Eastern Daylight Time)

# ETRION CORPORATION

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT the annual general meeting (the “**Meeting**”) of the shareholders of Etrion Corporation (the “**Company**”) will be held in the offices of WeirFoulds LLP, at 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7, on June 28, 2019, at 10:00 a.m. (Eastern Daylight Time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Company as at and for the year ended December 31, 2018, together with the report of the auditors thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint PricewaterhouseCoopers SA as the auditors of the Company and to authorize the directors to fix the remuneration to be paid to the auditors; and
4. to transact such other business as may be properly brought before the Meeting.

Terms not defined herein are defined in the accompanying management information circular (the “**Management Information Circular**”). The Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

Only persons registered as shareholders of the Company as of the close of business on May 13, 2019, are entitled to receive notice of the Meeting.

DATED this 14<sup>th</sup> day of May 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*“Marco Antonio Northland”*

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Marco Antonio Northland  
Chief Executive Officer

A shareholder may attend the Meeting in person or may be represented by a proxyholder. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying instrument of proxy (the “Instrument of Proxy”), or other appropriate form of proxy, in accordance with the instructions set forth in the Instrument of Proxy and the accompanying Management Information Circular. An Instrument of Proxy will not be valid unless it is properly executed and deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Canada, no later than 2 business days before the date of the Meeting, or any adjournment or postponement thereof. A person appointed as proxyholder need not be a shareholder of the Company. The time limit for deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice.

The board of directors of the Company has fixed the record date for the Meeting at the close of business on May 13, 2019 (the “Record Date”). Only shareholders of record at the close of business on the Record Date are entitled to vote such common shares at the Meeting on the basis of 1 vote for each common share held except to the extent that: (a) the holder has transferred the ownership of any of his common shares after the Record Date; and (b) the transferee of those common shares produces properly endorsed share certificates, or otherwise establishes that he owns the common shares, and demands not later than 10 days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her common shares at the Meeting.

**ETRION CORPORATION**  
**MANAGEMENT INFORMATION CIRCULAR**

**Note: Shareholders who do not hold their shares in their own name as registered shareholders should read “Advice to Beneficial Shareholders” within for an explanation of their rights.**

**PURPOSE OF SOLICITATION**

This management information circular dated as of May 14, 2019, (the “**Management Information Circular**”) is provided in connection with the solicitation of proxies by the board of directors (the “**Board**”) and the management of Etrion Corporation (the “**Company**”), for use at the annual general meeting (the “**Meeting**”) of the shareholders of the Company (the “**Shareholders**”), to be held on June 28, 2019, at the hour of 10:00 a.m. (Eastern Daylight Time) in the offices of WeirFoulds LLP, at 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7, Canada, or at any adjournment or postponement thereof for the purposes set out in the accompanying notice of meeting (“**Notice of Meeting**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or personal interview by regular employees of the Company, at a nominal cost. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such persons, and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. The cost hereof will be borne by the Company.

**GENERAL INFORMATION REGARDING THE DISTRIBUTION OF MEETING MATERIALS**

Shareholders will receive proxy-related materials (the “**Meeting Materials**”) pursuant to the “Notice-and-Access” regime adopted by the Canadian Securities Administrators which allows the Company to deliver the Meeting Materials to registered and non-registered (or beneficial) Shareholders by posting them on an acceptable website (such as the Company’s website or its transfer agent’s website). In order for a reporting issuer such as the Company to avail itself of the Notice-and-Access regime, it is required to send by mail a notice (the “**N&A Notice**”) to shareholders with information about the Notice-and-Access process and voting instructions as well as a voting instruction form or proxy form. The Company is intending to send the N&A Notice to shareholders on or about May 23, 2019. The N&A Notice provided to Shareholders indicates the websites where the Meeting Materials have been posted and explains how a Shareholder can access them online or obtain a paper copy of them from the Company as well as other basic information about the Meeting including, among other things, the matters to be voted on at the Meeting. Holders of Euroclear Registered Common Shares (as defined below) should refer to and read “Advice to Holders of Euroclear Sweden Registered Common Shares”.

This Management Information Circular is available electronically on the Company’s website at [www.etrion.com](http://www.etrion.com) and is also available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

Pursuant to the Notice-and-Access regime, the Company will provide a paper copy of the Management Information Circular directly to any shareholder upon request for a period of one year following the date of the filing of this Management Information Circular on SEDAR free of charge. If your request is made before the date of the Meeting, the Management Information Circular will be sent to you within three business days of your request. The Company must receive your request prior June 18, 2019, to ensure you will receive paper copies in advance of the deadline to submit your vote. If the request is made on or after the date of the Meeting, the Management Information Circular will be sent to you within ten calendar days of your request free of charge.

**VOTING OF PROXIES**

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot) in accordance with the instructions of the Shareholder, and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification, the management designees, if named as proxy, will vote in favour of the matters set out therein.**

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the instrument of proxy (the “**Instrument of Proxy**”) have been selected by the directors of the Company and have indicated their willingness to represent as proxy the Shareholder who appoints them. **A Shareholder has the right to designate a person (who need not be a shareholder of the Company), other than Marco A. Northland, the Chief Executive Officer and a director of the Company, and Christian Lacueva, the Chief Financial Officer, the management designees, to attend and represent him or her at the Meeting.** Such right may be exercised by inserting in the blank space provided for that purpose on the Instrument of Proxy the name of the person or persons to be designated and deleting therefrom the names of the management designees or by completing another proper Instrument of Proxy. Such Shareholder should notify the nominee of the appointment, obtain consent to act as proxy and should provide instructions on how the Shareholder’s shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney executed the proxy form, and delivered to the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Canada, no later than 2 business days prior to the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A proxy may be revoked by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing the proxy bearing a later date with Computershare Investor Services Inc., at any time up to and including the last business day preceding the date of the Meeting or any adjournment or postponement thereof at which the proxy is to be used or by depositing the revocation of proxy with the chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other matter permitted by law. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his shares.

## ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who 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 in this Management Information Circular 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 Shareholders 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, 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 the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) 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 Shareholders’ 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 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, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms 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 voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The**

**voting instruction forms 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.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Beneficial Shareholders are either "objecting beneficial owners" or "OBOs", who object to the disclosure by intermediaries of information about their ownership in the Company, or "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure. The Company is not sending proxy-related materials directly to NOBOs and does not intend to pay for proximate intermediaries to send the proxy-related materials to OBOs. Accordingly, OBOs are reminded that they will not receive the Meeting Materials unless the intermediary assumes the cost of delivery.

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

#### **ADVICE TO HOLDERS OF EUROCLEAR SWEDEN REGISTERED COMMON SHARES**

**The information set forth in this section is of significance to shareholders who hold their Common Shares ("Euroclear Registered Common Shares") through Euroclear Sweden AB, which securities trade on the NASDAQ OMX Stockholm exchange in Sweden.**

Shareholders who hold Euroclear Registered Common Shares are not registered holders of voting securities for the purposes of voting at the Meeting and, as such, cannot vote their Common Shares directly at the Meeting.

However, as the Company encourages all holders of Euroclear Registered Common Shares listed on the register of shareholders maintained by Euroclear Sweden AB, as of the close of business on May 13, 2019, to vote their Common Shares at the Meeting, holders of Euroclear Registered Common Shares will receive a form of proxy (a "**Form of Proxy**") by mail that provides detailed information on how to vote and access the Meeting Materials. The Form of Proxy cannot be used to vote Euroclear Registered Common Shares. Instead, the Form of Proxy provides instructions on how to: (a) access the Meeting Materials and vote online, by mail or by telephone; (b) order the Meeting Materials by mail or telephone; or (c) order the Meeting Materials by e-mail.

**If you have any questions concerning how to vote Euroclear Sweden Registered Common Shares, please contact the Company's representative Computershare AB at:**

**Mail :           Computershare AB  
                  "Etrion Corporation AGM"  
                  Box 610  
                  SE – 182 16 Danderyd  
                  Sweden**

**Telephone: +46 (0) 771 24 64 00**

**E-mail:        info@computershare.se**

#### **CURRENCY**

In this Management Information Circular, unless otherwise noted, CAD\$ means Canadian dollars, US\$ means United States dollars, € means Euros, the basic unit of currency of the European Union, JPY means Japanese yens, and CHF means Swiss francs.

## QUORUM

The articles of continuance of the Company (the “**Articles**”) provide that 2 persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting shall constitute a quorum for purposes of a meeting of Shareholders.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has authorized capital consisting of an unlimited number of Common Shares, of which 334,094,324 are issued and outstanding as at the date hereof. In addition, the Company is authorized to issue an unlimited number of preferred shares, issuable in series, none of which are currently issued.

Holders of Common Shares on record at the close of business on May 13, 2019, (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of 1 vote for each Common Share held except to the extent that: (a) the holder transfers his or her shares after the close of business on the Record Date; and (b) such transferee produces properly endorsed share certificates to the Secretary or transfer agent of the Company or otherwise establishes his or her ownership of the shares, at least 10 days prior to the Meeting, in which case the transferee may vote those shares.

The following table lists the entities who own of record or are known to the Company’s directors or executive officers to beneficially own, control or direct, directly or indirectly, more than 10% of the issued and outstanding Common Shares that are entitled to vote at the Meeting as at the date hereof:

Name and municipality of residence	Number of common shares held	Percentage of common shares held
Lorito Holdings Sarl (Luxembourg)(“ <b>Lorito</b> ”) <sup>(1)</sup>	61,655,814	18.45%
Zebra Holding and Investments Sarl (Luxembourg)(“ <b>Zebra</b> ”) <sup>(1)</sup>	54,782,312	16.40%

**Note:**

(1) Each of Lorito and Zebra are investment companies (the “**Investment Companies**”) wholly-owned by the Lundin Family Trust (the “**Lundin Trust**”).

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting and no director of the Company has informed management of the Company of any intent to oppose any action to be taken by management at the Meeting.

### 1. Management Report

The Board has approved the audited consolidated financial statements for the year ended December 31, 2018, copies of which will be available at the Meeting. These financial statements are available on request, on the Corporation’s website or under the Company’s issuer profile at [www.SEDAR.com](http://www.SEDAR.com). No vote by the Shareholders is required with respect to this matter.

### 2. Election of the Board

Pursuant to the Articles of the Company, the Board has been set at 5 directors. It is the intention of the management designees, if named as proxy, to vote for the election of the following persons to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company.

As of the date hereof, the name, municipality, province or state and country of residence of the directors, the number of voting securities of the Company beneficially owned, controlled or directed, directly or indirectly, the period served as director and the principal occupation of each director are as follows:

Name, municipality, Province or State and Country of residence	Number of Common Shares beneficially owned, controlled or directed, directly and indirectly, and percentage of class held <sup>(1)</sup>	Director Since <sup>(2)</sup>	Principal occupation
Marco A. Northland Cologny, Switzerland	18,819,082 5.6%	2009	Chief Executive Officer of the Company since September 2009.
Ian H. Lundin <sup>(5)</sup> Coppet, Switzerland	4,248,494 <sup>(8)</sup> 1.3%	2009	Chairman of Lundin Petroleum AB, an oil and gas company, since 2002.
Aksel Azrac <sup>(3)(4)(5)(6)</sup> Bernex-Lully, Switzerland	100,000 <0.03%	2010	Chairman of the Board; Senior Partner of 1875 Finance SA, an asset management and advisory firm based in Geneva, Switzerland, since 2006.
Garrett Soden <sup>(3)(4)</sup> Madrid, Spain	100,000 <0.03%	2013	President, Chief Executive Officer and Director of Africa Energy since 2017. Senior executive with the Lundin Group for over a decade. Mr. Soden is a Non-Executive Director of Etrion Corporation, Gulf Keystone Petroleum Ltd., Panoro Energy ASA and Phoenix Global Resources PLC. Previously, he was Chairman and CEO of RusForest AB, CFO of Etrion and PetroFalcon Corporation and a Non-Executive Director of Petropavlovsk PLC and PA Resources AB.
Henrika Frykman <sup>(3)(4)(5)(7)</sup>	Nil	2019	Legal Counsel with Lundin Petroleum since 2008 and VP Legal of Lundin Petroleum since 2017.

**Notes:**

- (1) This information, not being within the knowledge of the Company, has been provided by the individual directors.
- (2) The term of office of each director expires at the next annual meeting of Shareholders.
- (3) Member of the audit committee of the Board (the “**Audit Committee**”).
- (4) Member of the compensation committee of the Board (the “**Compensation Committee**”).
- (5) Member of the corporate governance and nominating committee of the Board (the “**Corporate Governance and Nominating Committee**”).
- (6) Mr. Azrac was appointed as the Chairman of the Board effective January 1, 2019 upon the resignation of C. Ashley Heppenstall as Chairman and a director of the Company on December 31, 2018.
- (7) Ms. Frykman was appointed to the Board effective January 1, 2019 upon the resignation of C. Ashley Heppenstall as Chairman and director of the Company on December 31, 2018.
- (8) Including the common shares held by the Investment Companies, which are owned by the Lundin Trust of which Mr. Lundin is a beneficiary, Mr. Lundin, together with the Investment Companies owns or controls, directly or indirectly an aggregate of 120,686,620 Shares representing approximately 36.1% of the issued and outstanding Common Shares.

**Majority Voting Policy for Election of Directors**

Under British Columbia corporate law, to which the Company is subject, director elections are based on the plurality system, where shareholders vote “for” or “withhold” their votes for a director. Votes withheld are not counted, with the result that, technically, a director could be elected to the board with just one vote in favour. The Board believes that each of its members should have the confidence and support of the shareholders of the Company. Accordingly, the Company has adopted a majority voting policy (the “**Majority Voting Policy**”). Each of management’s nominees for election to the Board at the Meeting has agreed to abide by the Majority Voting Policy, and all future nominees will be required to agree to abide by it. The Majority Voting Policy states that if in an uncontested election a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be required forthwith to submit his or her resignation to the Board, effective upon acceptance by the Board. The Board will consider the resignation and, except in special circumstances that would warrant the continued service of the director on the Board, the Board will be expected to accept the resignation. Within 90 days after the meeting, the Board will make its decision and announce it by news release (a copy of which shall also be provided to the Toronto Stock Exchange). If the Board does not accept the resignation of the director, the news release will fully state the reasons for that decision.

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

No proposed director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more

than 30 consecutive days, 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 a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, 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 director of the Company is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company or any personal holding company of such person has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company or any personal holding company of such person has been subject to: (a) 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, (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### 3. **Appointment of Auditors**

The Company appointed PricewaterhouseCoopers SA (“**PwC**”) as its auditor on June 12, 2018, the date that Shareholders approved the appointment of PwC at the Company’s last annual meeting of Shareholders. Shareholders are being asked to re-approve the appointment of PwC as the Company’s auditor to hold office effective as of the date of their appointment until the close of the next annual meeting of Shareholders at a remuneration to be fixed by the Board.

Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying Instrument of Proxy for the approval of the resolution appointing auditors.

### 4. **Other Business**

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or postponement thereof, in accordance with the discretion of the persons authorized to act thereunder.

## **EXECUTIVE COMPENSATION**

As the Company reports its financial results in United States dollars, this executive compensation disclosure has been prepared in United States dollars, except where otherwise indicated.

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis (“**CD&A**”) is to provide information about the Company’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company’s senior officers, being the five current named executive officers (the “**NEOs**”) identified below, in 2018. The NEOs who are the focus of the CD&A and who appear in the compensation tables of the Management Information Circular are: (i) Marco A. Northland, the Chief Executive Officer of the Company (the “**CEO**”); (ii) Christian Lacueva, the Chief Financial Officer of the Company (the “**CFO**”); (iii) German Salita, the Executive Vice President, Business Development and M&A (the “**EVPBD**”); (iv) Martin Oravec, the Chief Investment Officer (the “**CIO**”); and (v) Toshihiro Awata, the Chief Executive Officer of Etrion Services (Japan) K.K. (the “**Japan CEO**”), a wholly owned subsidiary of the Company (“**Etrion Japan**”).

### Compensation Committee

In order to assist the Board in fulfilling its oversight responsibilities with respect to human resources matters, the Board has established the Compensation Committee. The Compensation Committee is comprised of 3 directors, all of whom are independent within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance*



*Practices* (“**NI 58-101**”), namely Henrika Frykman, Garrett Soden and Aksel Azrac (Chairman) . All of the members of the Compensation Committee have had direct experience in matters of executive compensation that is relevant to their responsibilities as members of such committee by virtue of their respective professions and long-standing involvement with public companies and matters of executive compensation. In addition, each member of the Compensation Committee keeps abreast on a regular basis of trends and developments affecting executive compensation.

The Compensation Committee’s purpose, power and responsibilities are to: (a) establish the philosophy and objectives that will govern the Company’s compensation program; (b) oversee and approve the compensation and benefits paid to the senior officers and directors; (c) recommend to the Board for approval executive and other compensation and benefit plans and arrangements; (d) oversee the Company’s equity compensation plan(s) and annual incentive plan; (e) review management policies and make recommendations regarding any material changes in human resources policies, procedures, remunerations and benefits; (f) review the Company’s compensation plans, policies and programs and other specific compensation arrangements to assess whether they meet the Company’s risk profile and to ensure they do not encourage excessive risk taking on the part of the recipient of such compensation; and (g) promote the clear disclosure to Shareholders of material information regarding executive compensation. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

The Company does not anticipate making any significant changes to its compensation policies and practices in 2019.

#### Compensation Process

The Compensation Committee relies on the knowledge and experience of the members of the Compensation Committee to set appropriate levels of compensation for senior officers.

When determining senior officer compensation, the Compensation Committee evaluates the officer’s performance, including reviewing the Company’s performance against business plans and the officer’s achievements during the fiscal year. The Compensation Committee uses all data available to it to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and the nature of its operations and sufficient to retain personnel it considers essential to the success of the Company.

The Compensation Committee reviews the various elements of the NEOs’ compensation in the context of the total compensation package (including salary, annual incentive awards and prior awards under the incentive plans of the Company) and recommends the NEOs’ compensation packages. The Compensation Committee’s recommendations regarding NEO compensation are presented to the Board for their consideration and approval.

The Compensation Committee and the Board have implemented a standard annual grant process for the grant of restricted share units of the Company (“**RSUs**” or “**Restricted Share Units**”) to eligible participants, including key executives of the Company, under the Restricted Share Unit Plan (the “**Restricted Share Plan**”). Pursuant to this process, Restricted Share Unit grants are determined as part of the annual compensation review. In addition, from time-to-time the Board may award Restricted Share Units in recognition of the achievement of special circumstances, a particular goal or extraordinary service. The Board determines the particulars with respect to all Restricted Share Units awarded, subject to the provisions of the Restricted Share Plan. See “Securities Authorized for Issuance under Equity Compensation Plans - Restricted Share Plan” for details about such plan.

Previously, the Company satisfied equity-based incentive compensation pursuant to the grant of options to eligible participants under the Company’s 2011 Incentive Stock Option Plan (the “**2011 Option Plan**”) and a former stock option plan of the Company.

Additionally, since the adoption of the Restricted Share Plan, the Company has determined that all further equity-based incentive compensation will be satisfied pursuant to grants or awards of Restricted Share Units to eligible recipients in accordance with the Restricted Share Plan and the Board determined not to ask Shareholders to approve all unallocated options, rights and other entitlements under the 2011 Option Plan at the Company’s meeting of shareholders held on June 8, 2017 (the “**2017 Meeting**”). As a result, options which were not allocated as of June 8, 2017 and options which were outstanding as of June 8, 2017 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. The Company currently has no options outstanding/

The Compensation Committee has considered the risk implications of the Company’s compensation policies and practices and has concluded that there is no appreciable risk associated with such policies and practices as such policies and practices do not have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Company to inappropriate or excessive risks. Furthermore, although the Company does not have in place any specific prohibitions preventing a NEO or a director from purchasing 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 options or other equity securities of the Company granted in compensation or held directly or indirectly, by the NEO or director, the Company is unaware of the purchase of any such financial instruments by any NEO or director.

### Compensation Program

#### *Principles/Objectives of the Compensation Program*

Under the direction of the Compensation Committee, the Company is committed to the fundamental principles of pay for performance, improved shareholder returns and external competitiveness. The Compensation Committee recognizes the need to attract and retain a stable and focused leadership with the capability to manage the operations, finances and assets of the Company. As appropriate, the Compensation Committee recognizes and rewards exceptional individual contributions with competitive compensation. The compensation program is designed to ensure that the compensation provided to the Company's senior officers is determined with regard to the Company's business strategy and objectives, such that the financial interests of the senior officers are matched with the financial interests of the Shareholders.

#### *Compensation Program Design and Analysis of Compensation Decisions*

Standard compensation arrangements for the Company's senior officers are composed of the following elements, which are linked to the Company's compensation and corporate objectives as follows:

Compensation element	Link to compensation objectives	Link to corporate objectives
Base salary	Attract and retain	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Annual incentives	Motivate Pay for performance	Annual incentives focus senior officers on the achievement of corporate objectives and reward exceptional performance.
Restricted Share Units	Motivate Pay for performance Align interests with Shareholders	Long-term incentives motivate and reward senior officers to increase Shareholder value by the achievement of long-term corporate strategies and objectives.

#### *2018 Performance and Compensation*

The Company is focused on developing, building, owning and operating solar power plants. Given the Company's stage of development, the Compensation Committee has determined that the use of traditional quantitative performance standards is not appropriate in the evaluation of corporate or NEOs performance. The compensation of senior officers is based, in substantial part, on trends in the renewable energy industry as well as achievement of the Company's business plans and objectives. The Compensation Committee did not establish any quantifiable criteria in 2018 with respect to base salaries payable or the amount of annual bonuses or Restricted Share Units granted to NEOs.

#### *Base Salaries and Consultant Fees*

The Company provides senior officers with base salaries which represent their minimum compensation for services rendered during the fiscal year. NEOs' base salaries depend on the officer's role, responsibilities, performance and the importance of such officer to the Company as well as overall business goals, the financial position of the Company and general industry trends and practices, including competitiveness of compensation. Base salaries are reviewed annually by the Compensation Committee.

Each of the CEO and CFO is party to an employment agreement with the Company's wholly-owned Swiss subsidiary Etrion SA ("**Etrion SA**"), the CIO, through a consulting company controlled by the CIO, is party to a consulting agreement with Etrion SA, the EVPBD is party to an employment agreement with the Company's wholly-owned United States subsidiary Etrion Services (Suisse) S.A. Inc. ("**Etrion US**") and the Japan CEO is party to an employment agreement with Etrion Japan. The CEO's annual salary for the 2018 fiscal year was CHF 424,941 (approximately US\$ 434,544 based on an exchange rate of US\$1.0 = CHF 0.9779). The CFO's annual salary was CHF 250,000 (approximately US\$ 255,650 based on an exchange rate of US\$1.0 = CHF 0.9779). The CIO's annual salary was US\$ 247,474. The EVPBD's annual salary was US\$ 295,000 and the Japan CEO's annual salary was JPY 20,040,000 (approximately US\$ 181,518 based on an exchange rate of US\$1.0 = JPY 110.4024).

#### *Annual Incentives and Restricted Share Units*

The Company has historically paid annual cash bonuses to senior officers. The Company has formalized an annual bonus program (the "**Bonus Plan**") in order to ensure that compensation is competitive from a total remuneration standpoint and to provide it with the ability to recognize outstanding senior officer performance. Consistent with the

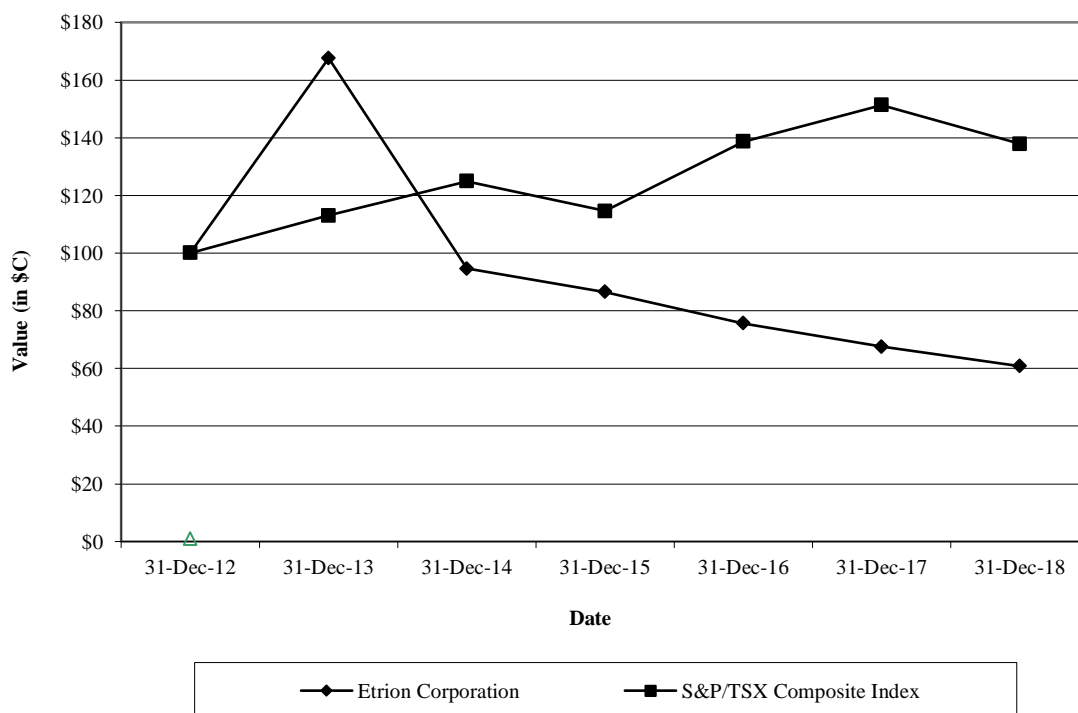
flexible nature of the Bonus Plan, the Compensation Committee does not assign any specific weight to any particular performance factor. Instead, the Compensation Committee considers not only the Company’s performance during the year, but also considers market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances.

The Compensation Committee has been provided with the discretion to award annual bonuses up to specified percentages of the salaries. In particular, the CEO may be awarded an annual bonus of up to 125% of his base compensation. In the case of the CFO, CIO and EVPBD, bonuses may be granted at the discretion of the Compensation Committee. Such award may be made in cash, through the grant of RSUs or through a combination of cash and RSUs. In the case of the Japan CEO, Etrion Japan is required to pay a success fee of up to 50% of the Japan CEO’s base salary at the discretion of the Compensation Committee.

The grant of Restricted Share Units pursuant to the Restricted Share Plan is an integral component of the compensation packages of the senior officers (both as a component of the Bonus Plan and to reward extraordinary service). The Compensation Committee believes that the grant of Restricted Share Units to senior officers that are subject to the achievement of certain performance targets in order for such Restricted Share Units to vest serves to motivate achievement of the Company’s long-term strategic objectives and the result will benefit all Shareholders. Restricted Share Units that are awarded to employees of the Company (and the number thereof) is based upon the recommendation of the Compensation Committee, which bases its decisions upon the level of responsibility and (expected and actual) contribution of the individuals toward the Company’s goals and objectives and each individual’s annual salaried or cash compensation. The Compensation Committee’s decisions with respect to the granting of Restricted Share Units are reviewed by the Board and are subject to its final approval. Refer to “Securities Authorized for Issuance under Equity Compensation Plans - Restricted Share Plan” for a detailed description of the Restricted Share Plan.

Share Performance Graphs

The following graph illustrates the Company’s cumulative Shareholder return (assuming the re-investment of dividends of which there have been none) from December 31, 2012, to December 31, 2018, based upon a \$100 investment made on December 31, 2012, in the Common Shares, and compares the Company’s cumulative shareholder return to the cumulative total shareholder return in the Total Return Index Values of the S&P/Toronto Stock Exchange (“TSX”) Composite Index over the same period.



As described herein, the Compensation Committee considers various factors in determining the compensation of the NEOs. The performance of the Common Shares is one performance measure that is reviewed but there is no direct correlation between Common Share performance and executive compensation.

The Common Share price may be affected by numerous factors that are difficult to predict and beyond the Company's control and is also affected by general and industry-specific economic and market conditions. The Compensation Committee evaluates performance by reference to the Company's business plan rather than by short-term changes in the Common Share price based on its view that its long-term operating performance will be reflected by stock price performance over the long-term, which is especially important when the current stock price may be temporarily depressed by short-term factors, such as recessionary economies. The trend shown by the performance graph shows an increase in 2013 and decline to below 2012 levels as at December 31, 2018. Over the same 6-year period, the trend in compensation received by the NEOs, in the aggregate, has remained relatively constant despite foreign exchange fluctuations and without taking into account share-based awards and bonuses. In addition, shared-based performance awards are designed to align Common Share performance with the Peer Group (as defined below).

## NEO Compensation

### Summary Compensation

The following table provides a summary of the compensation earned by the NEOs for services rendered in all capacities during the fiscal years ended December 31, 2018, 2017 and 2016.

Name and principal position	Year	Salary <sup>(1)(2)</sup> (US\$)	Share-based awards <sup>(3)(4)</sup> (US\$)	Option-based awards <sup>(5)</sup> (US\$)	Non-equity incentive plan compensation <sup>(2)(6)</sup> (US\$)	Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$) <sup>(4)</sup>
Marco A. Northland (CEO)	2018	434,544	-	-	195,545	61,037	-	691,126
	2017	431,544	-	-	85,175	52,044	-	568,763
	2016	431,281	242,746	-	300,000	48,341	-	1,022,368
Christian Lacueva (CFO) <sup>(7)</sup>	2018	255,650	-	-	115,042	23,266	-	393,958
German Salita (EVPBD) <sup>(8)</sup>	2018	295,000	-	-	132,750	12,661	-	440,411
	2017	389,308	-	-	58,396	14,413	-	462,117
	2016	389,308	182,060	-	150,000	14,423	-	735,791
Martin Oravec (CIO) <sup>(9)</sup>	2018	247,474	-	-	108,000	-	-	355,474
Toshihiro Awata (Japan CEO) <sup>(10)</sup>	2018	181,518	-	-	90,578	-	-	272,096
	2017	163,778	61,640	-	35,733	-	-	261,151

#### Notes:

- Each of the NEOs received their salaries from Etrion SA, except for Mr. Salita who was paid in US\$ by Etrion US and Mr. Toshihiro Awata who was paid in JPY by Etrion Japan.
- Salaries, pensions and non-equity incentive plan compensation paid in Swiss Francs have been converted at an exchange rate of and CHF 1.00 = US\$ 1.0226 in 2018, CHF 1.00 = US\$ 1.02 in 2017 and CHF 1.00 = US\$ 1.01 in 2016. Salaries, pensions and non-equity incentive plan compensation paid in Japanese Yen have been converted at an exchange rate of JPY 1.00 = US\$ 0.01 in 2018 and JPY 1.00 = US\$ 0.01 in 2017.
- For share-based awards, the grant date fair value was calculated in accordance with a hybrid valuation model based on the Monte Carlo simulation, which the Company determined to be the most accurate measure of value. Each amount represents the grant date fair value of the applicable Restricted Share Units granted on December 31, 2016 and December 6, 2017. For the December 31, 2016 grant, the grant date fair value was determined using the Common Share Price on the date of grant of CAD\$0.29 per Common Share (converted to US\$ at an exchange rate of CAD\$1.00 = US\$0.7582), stock price volatility of 57%, risk free interest rate of 0.85%, no dividend yield and expected Restricted Share Unit life of 4 years. For the December 6, 2017 grant, the grant date fair value was determined using the Common Share Price on the date of grant of CAD\$0.21 per Common Share (converted to US\$ at an exchange rate of CAD\$1.00 = US\$ 0.7705), stock price volatility of 56%, risk free interest rate of 1.49%, no dividend yield and expected Restricted Share Unit life of 3 years.
- While the RSUs have been awarded, the value of such RSUs has not been received by the NEOs and such RSUs will only vest if all the conditions applicable to such grants are met or in certain other circumstances. The value of such share-based awards on the relevant vesting date(s) will depend on the future performance of the Company. See "Incentive Plan Awards" and "Securities Authorized for Issuance Under Equity Compensation Plans – Restricted Share Plan" below for further details.
- No options were granted to NEOs in respect of the fiscal years ended December 31, 2016, 2017 and 2018.
- Non-equity incentive plan compensation includes cash bonus payments relating to the relevant year paid in the following year. The Company does not have any non-equity long-term compensation incentive plans.
- In November 2017, the Company announced the appointment of Mr. Lacueva as Chief Financial Officer, effective January 1, 2018.
- While Mr. Salita has not been formally appointed as an executive officer of the Company, in the financial years ended December 31, 2016, December 31, 2017 and December 31, 2018, Mr. Salita acted in a similar capacity to an executive officer.
- In November 2017, the Company announced the appointment of Mr. Oravec as Chief Investment Officer, effective January 1, 2018.
- On February 1, 2017, Mr. Awata was retained as Managing Director of Etrion Japan. On September 1, 2017, Mr. Awata's employment agreement was amended to appoint him as Chief Executive Officer of Etrion Japan. Mr. Awata resigned from the Company effective January 31, 2019.

## Incentive Plan Awards

The following table provides details regarding the outstanding option-based awards and share-based awards held by the NEOs as at December 31, 2018:

Name and principal position	Option-based Awards						Share-based Awards			
	Option grant date	Number of securities underlying unexercised options	Number of options vested and unexercised options	Option exercise price (US\$)	Option expiration date	Aggregate value of unexercised in-the-money options (US\$)	Restricted Share Unit grant date	Number of shares or units of shares that have not vested	Market or payment value of share-based awards that have not vested (US\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (US\$)
Marco A. Northland (CEO)	-	-	-	-	-	-	Dec. 31, 2016	4,000,000 <sup>(2)</sup>	-	-
							Dec. 9, 2015	2,934,594 <sup>(3)</sup>	-(4)	-
Christian Lacueva (CFO)	-	-	-	-	-	-	Dec. 31, 2016	2,000,000 <sup>(2)</sup>	-	-
							Dec. 9, 2015	574,747 <sup>(3)</sup>	-(4)	-
German Salita (EVPBD)	-	-	-	-	-	-	Dec. 31, 2016	3,000,000 <sup>(2)</sup>	-	-
							Dec. 9, 2015	2,211,977 <sup>(3)</sup>	-(4)	-
Martin Oravec (CIO)							Dec. 31, 2016	2,000,000 <sup>(2)</sup>	-	-
							Dec. 9, 2015	840,909 <sup>(3)</sup>	-(4)	-
Toshihiro Awata (Japan CEO)	-	-	-	-	-	-	Dec. 6, 2017	2,000,000 <sup>(5)</sup>	-	-

### Notes:

- (1) While the RSUs have been awarded, the value of the RSUs has not been received by the NEOs and such RSUs will only vest if all of the conditions applicable to such grants are met or in certain other circumstances. The value of such share-based awards on the relevant vesting date(s) will depend on the future performance of the Company. See "Incentive Plan Awards" and "Securities Authorized for Issuance Under Equity Compensation Plans - Restricted Share Plan" below for further details. As at December 31, 2018, the performance criteria applicable to RSUs granted on each of December 31, 2014, December 31, 2016 and December 6, 2017 had not been met and, therefore, the minimum market or payment value is zero. Please see footnotes (2), (3), (5) and (6) below for more information with respect to the performance criteria and performance periods for the outstanding RSUs granted to NEOs.
- (2) These RSUs vest and become available for redemption on December 31, 2019 based on the increase, if any, in the "Market Price" (being the volume weighted average trading price of the Common Shares on the TSX for the 30 trading days prior to the relevant date) of the Common Shares from December 31, 2016 to the earlier of: (i) December 31, 2019; (ii) a "change of control" (as such term is defined in the Restricted Share Plan); and (iii) a "sale of assets" (as such term is defined in the Restricted Share Plan) (the "2016-2019 Performance Period"). No RSUs will vest if the increase in the Market Price of the Common Shares during the 2016-2019 Performance Period (the "Price Increase") is less than 25%. If the Price Increase is 25%, 20% of the RSUs will vest and for each Price Increase of 1% above 25%, an additional 1.6% of the RSUs will vest such that 100% of the RSUs will vest if the Price Increase is 75% or greater. For Price Increases of fractional percentages, the percentage of RSUs that vest will be interpolated on a straight-line basis in accordance with the foregoing. In the event of a change of control or sale of assets on or prior to December 31, 2018, the aggregate amount payable to such NEOs and other management-level employees of the Company under all of the then outstanding RSUs may not exceed US\$10,000,000 (the "Management Cap"). As at December 31, 2018, the Management Cap was not triggered. As at December 31, 2018, the performance criteria applicable to RSUs granted on Dec. 31, 2016 had not been met and, therefore, the minimum market or payment value is zero.
- (3) These RSUs vest and become available for redemption on the date that the Company communicates to the NEOs the Company's total shareholder return ("TSR") for the period from January 1, 2016 to December 31, 2018 (the "2016-2018 Performance Period") compared to the TSRs for a peer group of companies, consisting of the following companies operating in the renewable energy industry: EDP Renováveis SA, SunEdison, Inc., Brookfield Renewable Energy Partners LP, Algonquin Power & Utilities Corp., Northland Power Inc., TransAlta Renewables Inc., Pattern Energy Group Inc., Innergex Renewable Energy Inc., Borealex Inc., Capital Stage AG, Sky Solar Holdings, Ltd., Scatec Solar ASA, Falck Renewables SpA, Atlantic Power Corporation, Voltalia, Alterra Power Corp., Theolia SA, Engix Renewable Energies Ltd., Arise Energy Solutions, LLC and EAM Solar ASA. (the "Peer Group"). TSR is determined by comparing the increase in each company's share price during the 2016-2018 Performance Period plus the value of dividends paid during such period and deemed to be reinvested to the share price at the beginning of the 2016-2018 Performance Period. No RSUs will vest in the event the Company's TSR during the 2016-2018 Performance Period is below the 37.5th percentile of the TSRs of the Peer Group for the same period and 100% of the RSUs will vest in the event the Company's TSR during the 2016-2018 Performance Period is at or above the 75th percentile of the TSRs of the Peer Group for the same period. RSUs will vest on a linear basis between zero and 100% if the Company's TSR during the 2016-2018 Performance Period is between the 37.5th percentile and the 75th percentile of the TSRs of the Peer Group.
- (4) With respect to the RSUs granted on December 9, 2015, the 2016-2018 Performance Period has now ended, and the performance criteria was not reached by December 31, 2018. Consequently, 0% of the RSUs vested. Please see footnote (3) above for more information with respect to the performance criteria and performance periods for the RSUs granted to NEOs.
- (5) These RSUs vest and become available for redemption in the same manner as disclosed in footnote (2) above.

Refer to "Securities Authorized for Issuance under Equity Compensation Plans" for details regarding the 2011 Option Plan and the Restricted Share Plan.

The following table provides details regarding outstanding option-based awards, share-based awards and non-equity incentive plan compensation relating to the NEOs, which vested and/or was earned during the year ended December 31, 2018:

Name and principal position	Option-based awards - value vested during the year <sup>(1)</sup> (US\$)	Share-based awards - value vested during the year <sup>(1)</sup> (US\$)	Non-equity incentive plan compensation - value earned during the year (US\$)
Marco A. Northland (CEO)	-	-	195,545
Christian Lacueva (CFO)	-	-	115,042
German Salita (EVPBD)	-	-	132,750
Martin Oravec (CIO)	-	-	108,000
Toshihiro Awata (Japan CEO)	-	-	90,578

Note:

- (1) No option-based awards or share-based awards vested during the fiscal year ended December 31, 2018.

### Defined Contribution Plans

The table below presents the benefits accumulated by the NEOs under the defined contribution plans of Etrion SA and Etrion US during the year ended December 31, 2018. The actual benefits payable upon retirement will be determined by the size of each participant's account values (based on the amount of actual contribution and the realized returns on investment), interest rates at the time the benefits commence, and the type of retirement vehicle selected (i.e., life income fund, life annuity, joint annuity, etc.). The values under the Etrion SA plan for Mr. Northland and Mr. Lacueva are valued in CHF and have been converted to US\$ at an exchange rate of CHF 1.00 = US\$ 1.0226.

Name and principal position	Accumulated value at the beginning of the year (US\$)	Compensatory <sup>(1)</sup> (US\$)	Non-compensatory <sup>(1)</sup> (US\$)	Accumulated value at the end of the year (US\$)
Marco A. Northland (CEO)	744,307 <sup>(2)</sup>	61,037	58,315	863,659
Christian Lacueva (CFO)	449,658	23,266	29,000	501,925
German Salita (EVPBD)	136,427	12,661	3,062	152,149
Martin Oravec (CIO)	-	-	-	-
Toshihiro Awata (Japan CEO)	-	-	-	-

Notes:

- (1) Compensatory represents the Company's direct contribution to the employee's defined contribution plan and non-compensatory represents the employee's own contribution to the defined contribution plan as well as the interest earned during the year on the accumulated balance at the end of the relevant year.
- (2) The accumulated value at the beginning of the year for Mr. Northland excludes \$196,033 representing the accumulated value of his pension prior to his employment with Etrion SA in September 2009.

The funded defined contribution plan of Etrion SA is managed through a private fund. The cost of the defined contribution plan is determined annually by independent actuaries, and Etrion SA pays an annual insurance premium. The fund provides benefits coverage to the employees in the event of retirement, death or disability. Etrion SA and its employees jointly finance retirement and risk benefit contributions. As per the agreement, Etrion SA contributes between 60% and 67% of the monthly pension costs, and the remaining balance is deducted from the employee's payroll. The investment risk is borne by the fund. According to articles of the pension fund regulations, the fund is responsible for remediating any technical underfunding that may exist at any given time. However, in the event of a shortfall the Company, together with the employees, could be required to fund any shortfall.

The funded defined 401K contribution plan of Etrion US is managed through a third-party trust with the aim of providing benefits coverage to the employees in the event of retirement, death or disability. The Company makes a contribution equal to 100% of the first 3% of the employee's eligible earnings and an additional 50% of the next 2% of eligible earnings. The plan is called "an individual account plan", which means that each employee has his or her own account in the plan. This provides the employee with the opportunity to exercise control over the assets in the individual account, and to choose the manner in which the assets in the account are invested. Full responsibility for the investment decisions lie with the employee. Also, pursuant to US legislation, benefits are not insured.

## Termination and Change of Control Benefits

### *Marco A. Northland*

The CEO entered into an employment agreement (the “**Northland Agreement**”) with Etrion SA on September 11, 2009 for an indefinite term. The Northland Agreement may be terminated for any cause whatsoever by either party upon 6 months’ prior notice. The Northland Agreement may also be terminated with immediate effect by either party for “justified cause” as defined by article 337 of the Swiss Code of Obligations (“**CO**”) or by the CEO for Good Reason (as defined below).

Under the Northland Agreement, “Good Reason” means the occurrence of any of the following without the CEO’s express prior written consent: (a) a material reduction in the CEO’s position or duties; (b) a reduction in the CEO’s annual base salary; (c) a relocation of the CEO’s primary place of business for the performance of his duties to a location that is more than 35 miles from Etrion SA’s business location in Geneva, Switzerland; or (d) a material breach of the Northland Agreement by Etrion SA that is not remediated by Etrion SA within 30 days of the CEO providing written notice of such material breach.

In the event the Northland Agreement is terminated by Etrion SA for justified cause, the CEO is not entitled to any compensation or benefits other than those he has earned as of the date of termination.

In the event that the Northland Agreement is terminated by Etrion SA for any reason other than for justified cause, Etrion SA must pay to the CEO CHF 826,200 in a lump sum promptly following the CEO’s termination.

In the event that the Northland Agreement is terminated by the CEO for justified cause due to Etrion SA’s actions within the meaning of article 337 of the CO or for Good Reason, then Etrion SA must pay to the CEO the amount of CHF 2,295,000 in a lump sum promptly following the CEO’s termination.

In the event of a “change of control” as defined in the Northland Agreement, the CEO may elect to terminate his employment at any time within a 180-day period following a change of control and the CEO will receive, subject to compliance with the applicable provisions of the Northland Agreement, the greater of: (a) a lump sum payment equivalent to 24 months’ base salary, then in effect; or (b) the applicable payment provided for as if the Northland Agreement were terminated for any reason other than for justified cause.

The Northland Agreement also provides for non-competition provisions during the CEO’s employment with Etrion SA and after the termination of the Northland Agreement subject to the conditions and during the term stated below. The CEO will not, directly or indirectly, commence employment with, provide any service or advice to, own any interest in, directly or indirectly or become affiliated with any other person, partnership, firm, corporation, or any other business or organization, in any manner (whether as an officer, director, stockholder, partner, consultant, advisor or in any other capacity) in any competitor business in the relevant market segments and territories with, or similar to, the business of Etrion SA, SRH, or any corporation, partnership or other entity which is directly or indirectly controlled by SRH (collectively, the “**Solar Entities**”). In addition, the CEO will not, for any reason whatsoever, engage in or contribute his knowledge to the development, sale, promotion, or distribution of any products or services which compete in the relevant market segments and territories with the products or services being developed or offered by the Solar Entities, it being understood that nothing shall prevent the CEO investing in any publicly listed company up to a maximum of 5% of the voting rights of such company (the “**Non-Compete Undertaking**”). The Non-Compete Undertaking does not apply in the event the CEO terminates the Northland Agreement for justified cause or for Good Reason.

If the Northland Agreement is terminated by Etrion SA for justified cause, the CEO will be bound by the Non-Compete Undertaking for a period of 12 months after the termination of the Northland Agreement, provided that Etrion SA pays to the CEO an indemnity of CHF 38,300.

If the Northland Agreement is terminated by the CEO at any time for any reason other than for justified cause or for Good Reason, the CEO will be bound by the Non-Compete Undertaking for a period of 24 months after the termination of the Northland Agreement, provided that Etrion SA pays to the CEO an indemnity equivalent to the CEO’s salary and fringe benefits under the Northland Agreement as at the time of the employment termination, excluding any performance-related bonus, for 24 months.

The Northland Agreement also contains customary indemnification and confidentiality provisions.

In the event of a change of control in the Company, all options outstanding will vest and will become fully exercisable (regardless of the provisions of the option agreement specifying a certain vesting period). For this purpose, a change of control means the occurrence of the acquisition by any person who was not, immediately prior to the effective time of a transaction or series of related transactions, a registered or a beneficial shareholder holding 10% or more of the outstanding shares of the Company or rights or options to acquire shares of the Company or securities which are

convertible into shares of the Company or any combination thereof, such that after the completion of the aforementioned transaction or series of related transactions, such person would be entitled to cast votes equal to 40% or more of the votes which may be cast at a meeting of the Shareholders, and they or their representatives become a majority of the Board or assume control or, direction over the management or day-to-day operations of the Company; or an amalgamation, merger, consolidation or other reorganization of the Company with another entity as a result of which the Company ceases to exist or to be publicly traded and the management or Board do not comprise substantially all of the management or a majority of the Board, respectively, of the resulting entity.

The following table estimates the incremental amounts payable to the CEO upon identified termination events, assuming each such event took place on December 31, 2018. The table includes the value of unvested equity awards that would vest upon the occurrence of the termination event.

<b>Termination event</b>	<b>Amounts payable assuming each such event took place on December 31, 2018 (US\$) <sup>(1)(2)</sup></b>
<b>Termination by Etrion SA for justified cause</b>	
- Salary/severance	-
- Annual incentives	-
- Stock options / Restricted Share Units	-
<b>Termination by CEO for justified cause or Good Reason, as applicable</b>	
- Salary/severance	2,346,866
- Annual incentives	-
- Stock options / Restricted Share Units	-
<b>Termination by Etrion SA for any reason other than justified cause</b>	
- Salary/severance	844,872
- Annual incentives	-
- Stock options / Restricted Share Units	-
<b>Termination by CEO upon a change of control</b>	
- Salary/severance	869,089
- Annual incentives	-
- Stock options / Restricted Share Units <sup>(3)</sup>	520,662

**Notes:**

- (1) All amounts have been converted to US\$ using an exchange rate of US\$ 1.00 = CHF 0.9779.
- (2) These amounts do not include the amounts paid or payable pursuant to or in lieu of notice, the payment of accrued but unpaid vacation time if any, the rights if any to which the CEO is entitled under the terms of any of the Company's benefit plans and related agreements in which he participates, and the reimbursement of reasonable expenses incurred in the course of the performance of the CEO's duties if any.
- (3) Represents the incremental value that would have been realized by the CEO on Restricted Stock Units at December 31, 2018, as a result of a change of control.

*Christian Lacueva*

The CFO entered into an employment agreement (the "**Lacueva Agreement**") with Etrion SA on April 3, 2019 for an indefinite term. The Lacueva Agreement may be terminated for any cause whatsoever by either party upon 3 months' prior notice. Pursuant to the terms of the Lacueva Agreement, the CFO is entitled to severance in the following situations:

<b>Triggering Event</b>	<b>Obligations upon Termination</b>	<b>Amounts payable assuming each such event took place on December 31, 2018 (USD)</b>
Termination by Company for cause	In the event that the Company terminates the Lacueva Agreement for justified cause within the meaning of article 337 CO, the CFO is not entitled to any compensation or benefits other than those he has earned as of the date of termination.	-
Termination by Company without Cause	In the event that the Company terminates the Lacueva Agreement without justified cause, the CFO is entitled to receive a lump sum equal to 6 months' base salary then in effect, which shall be paid on top of any salary owing during the notice period.	127,825
Termination by CFO for Good Reason	In the event that the CFO terminates the Lacueva Agreement for justified cause due to Etrion SA's actions within the meaning of article 337 of the CO, the CFO is entitled to receive a lump sum equal to 6 months' base salary then in effect, which shall be paid on top of any salary owing during the notice period.	127,825



Change of control	In the event of a “change of control” as defined in the Lacueva Agreement, the CFO may elect to terminate his employment at any time within a 180-day period following a change of control and the CFO will receive, subject to compliance with the applicable provisions of the Lacueva Agreement, an amount the equivalent to 6 months’ gross Base Salary as a lump sum payment, which shall be paid on top of any other amounts which may be due to the CFO in relation to the termination under Swiss law or the Lacueva Agreement.	127,825
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The Lacueva Agreement also contains customary indemnification and confidentiality provisions.

*German Salita*

The EVPBD entered into an amended employment agreement (the “**Salita Agreement**”) with Etrion US on April 3, 2019 for an indefinite term. The Salita Agreement may be terminated for any cause whatsoever by either party upon 90 days’ prior notice. Pursuant to the terms of the Salita Agreement, the EVPBD is entitled to severance in the following situations:

Triggering Event	Obligations upon Termination	Amounts payable assuming each such event took place on December 31, 2018 (US\$)
Termination by Company for cause	In the event that the Company terminates the Salita Agreement for Cause, as defined in the Salita Agreement, the EVPBD is not entitled to any compensation or benefits other than those he has earned as of the date of termination.	-
Termination by Company without Cause	In the event that the Company terminates the Salita Agreement without Cause, as defined in the Salita Agreement, the EVPBD is entitled to receive a lump sum equal to 9 months’ base salary then in effect, which shall be paid on top of any salary owing during the notice period.	221,250
Termination by EVPBD for Good Reason	In the event that the EVPBD terminates the Salita Agreement for Good Reason (as defined below), the EVPBD is entitled to receive a lump sum equal to 9 months’ base salary then in effect, which shall be paid on top of any salary owing during the notice period.	221,250
Change of control	In the event of a change of control, the EVPBD may elect to terminate his employment at any time within a 180-day period following the Change of Control and the EVPBD is thereafter entitled to receive a lump sum equal to 9 months’ base salary then in effect.	221,250

Under the Salita Agreement, “Good Reason” means the occurrence of any of the following without the EVPBD’s consent: (a) a material diminution in the EVPBD’s salary; (b) a material diminution in the EVPBD’s authority, duties, or responsibilities; or (c) a material breach of the Salita Agreement by Etrion US that is not remediated by Etrion US within 30 days of the EVPBD providing written notice of such material breach.

The Salita Agreement also contains customary indemnification and confidentiality provisions.

*Martin Oravec*

The CIO, through a consulting company which the CIO controls, entered into a consulting services agreement (the “**Oravec Agreement**”) with Etrion SA on January 1, 2018, as amended April 4, 2019, to provide consulting services to Etrion S.A. for an indefinite term. The Oravec Agreement may be terminated by either party upon 90 days’ advance written notice. Pursuant to the terms of the Oravec Agreement, as amended on April 4, 2018, the CIO is entitled to severance in the following situations:

Triggering Event	Obligations upon Termination	Amounts payable assuming each such event took place on December 31, 2018 (US\$)
Termination by Company for Justified Cause	In the event that the Company terminates the Oravec Agreement for Justified Cause, as defined in the Oravec Agreement, the CIO is not entitled to any compensation or benefits other than those he has earned as of the date of termination.	-
Termination by Company for reason other than Justified Cause	In the event that the Company terminates the Oravec Agreement without Justified Cause the CIO is entitled to receive a lump sum equal to \$120,000, which shall be paid on top of any professional fees owing during the notice period.	120,000

Termination by CIO for Justified Cause	In the event that the CIO terminates the Oravec Agreement for Justified Cause, the CIO is entitled to receive a lump sum equal to \$120,000, which shall be paid on top of any professional fees owing during the notice period.	120,000
Change of control	In the event of a Change of Control, as defined in the Oravec Agreement, the CIO may elect to terminate his employment at any time within a 180-day period following the Change of Control and the CIO is thereafter entitled to receive a lump sum equal to \$120,000.	120,000

The Oravec Agreement also contains customary indemnification and confidentiality provisions.

Other than as described herein, the Company does not have any pension or retirement plan which is applicable to the NEO's and the Company and its subsidiaries are not party to any compensation plan, contract or arrangement where an NEO is entitled to receive incremental compensation in the event of resignation, retirement or termination of employment, a change of control of the Company or its subsidiaries or a change in an NEO's responsibilities following a change of control.

### Director Compensation

The director compensation program is designed to achieve the following goals: (a) compensation should attract and retain the most qualified people to serve on the Board; (b) compensation should align directors' interests with the long-term interests of the Shareholders; (c) compensation should fairly pay directors for risks and responsibilities related to being a director of an entity of the Company's size and scope; and (d) the structure of the compensation should be simple, transparent and easy for Shareholders to understand.

During the fiscal year ended December 31, 2018, the remuneration for non-executive directors was US\$ 9,375 per quarter (equivalent to US\$ 37,500 per year). No additional fees were paid to non-executive directors in 2018 for serving on Board committees or for attending meetings.

In addition, non-executive directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Company.

Directors are also entitled to receive compensation to the extent that they provided services to the Company at rates that would otherwise be charged by such directors for such services to arm's length parties or less. During the financial year ended December 31, 2018, there were no additional fees paid to directors for such additional services.

Senior officers of the Company who also act as directors are not entitled to additional compensation for services rendered as directors of the Company. Refer to "Executive Compensation-NEO Compensation" for details regarding compensation of the Company's CEO, who is a director of the Company.

### Director Summary Compensation

The following compensation table sets out the compensation paid to each of the Company's non-executive directors in the year ended December 31, 2018:

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
Ian H. Lundin	37,500	-	-	-	-	-	37,500
C. Ashley Heppenstall	37,500	-	-	-	-	-	37,500
Aksel Azrac	37,500	-	-	-	-	-	37,500
Garrett Soden	37,500	-	-	-	-	-	37,500
Henrika Frykman	-	-	-	-	-	-	-

## Incentive Plan Awards

The following table provides details regarding the outstanding option-based and share-based awards held by non-executive directors as at December 31, 2018:

Name	Option-based Awards						Restricted Share Unit grant date	Share-based Awards		
	Option grant date	Number of securities underlying unexercised options	Number of options vested and unexercised	Option exercise price (US\$)	Option expiration date	Aggregate value of unexercised in-the-money options (US\$)		Number of shares or units of shares that have not vested	Market or pay-out value of share-based awards that have not vested (US\$) <sup>(1)</sup>	Market or pay-out value of vested share-based awards not paid out or distributed (US\$)
Ian H. Lundin	-	-	-	-	-	-	Dec. 31, 2016	250,000 <sup>(2)</sup>	-	-
C. Ashley Heppenstall	-	-	-	-	-	-	Dec. 31, 2016	250,000 <sup>(2)</sup>	-	-
Aksel Azrac	-	-	-	-	-	-	Dec. 31, 2016	250,000 <sup>(2)</sup>	-	-
Garrett Soden	-	-	-	-	-	-	Dec. 31, 2016	250,000 <sup>(2)</sup>	-	-
Henrika Frykman	-	-	-	-	-	-	-	-	-	-

### Notes:

- (1) While the RSUs have been awarded, the value of the RSUs has not been received by the non-executive directors and such RSUs will only vest if all of the conditions applicable to such grants are met or in certain other circumstances. The value of such share-based awards on the relevant vesting date(s) will depend on the future performance of the Company. See "Incentive Plan Awards" and "Securities Authorized for Issuance Under Equity Compensation Plans - Restricted Share Plan" below for further details. As December 31, 2018, the performance criteria applicable to RSUs granted on each of Dec. 31, 2016 had not been met and, therefore, the minimum market or payment value is zero. Please see footnote (2) below for more information with respect to the performance criteria and performance periods for the outstanding RSUs granted to non-executive directors.
- (2) These RSUs vest and become available for redemption on December 31, 2019 based on the increase, if any, in the Market Price of the Common Shares during the 2016-2019 Performance Period. No RSUs will vest if the Price Increase is less than 25%. If the Price Increase is 25%, 20% of the RSUs will vest and for each Price Increase of 1% above 25%, an additional 1.6% of the RSUs will vest such that 100% of the RSUs will vest if the Price Increase is 75% or greater. For Price Increases of fractional percentages, the percentage of RSUs that vest will be interpolated on a straight-line basis in accordance with the foregoing.

No outstanding option-based awards or share-based granted to non-executive directors vested during the year ended December 31, 2018.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table sets forth information as at December 31, 2018, with respect to the Company's compensation plans under which equity securities of the Company are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights (US\$) <sup>(2)</sup>	Number of securities, remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) <sup>(3)</sup>
Equity compensation plans approved by securityholders	15,491,706	N/A	17,917,726
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>15,491,706</b>	<b>N/A</b>	<b>17,917,726</b>

### Notes:

- (1) Such number equals the total number of Common Shares to be issued in the event the Payout Amount (as defined below) is satisfied in shares in accordance with the terms of the Restricted Share Plan. There are no outstanding stock options.
- (2) There are no outstanding stock options.
- (3) The total number of securities remaining available for future issuance under equity compensation plans relate to the 2011 Option Plan and the Restricted Share Plan. The Company currently has no intention of issuing additional stock options under the 2011 Option Plan.

### Restricted Share Plan

The purpose of the Restricted Share Plan is to provide an incentive to an eligible participants (being a director, officer or full or part-time employee of the Company or a subsidiary of the Company or a consultant), to become or to continue to be Shareholders, by rewarding such participants with the grant of Restricted Share Units for their continued efforts

in promoting the growth and success of the business of the Company through their continued employment with, or retention by, the Company and the achievement of performance targets, if any, associated with the vesting of the Restricted Share Units granted. The Restricted Share Plan provides that the aggregate number of Common Shares that are available to be issued from treasury from time to time pursuant to outstanding grants of Restricted Share Units under the Restricted Share Plan will not exceed a number of Common Shares equal to: (i) 10% of the issued and outstanding Common Shares from time to time (calculated on a non-diluted basis); less (ii) the aggregate number of Common Shares that may be issued from time to time pursuant to options, grants or awards that are outstanding from time to time under any other compensation arrangements of the Company (being 17,917,726 Common Shares as at December 31, 2018).

Unless otherwise determined by the Board at the time of a particular grant and subject to the terms of the agreement evidencing the grant of Restricted Share Units (the “**Grant Agreement**”) which may include performance targets associated with the vesting thereof, Restricted Share Units will fully vest and become available for redemption on the third anniversary of the grant date, provided, however, that with respect to Restricted Share Units that include associated performance targets, the Board may: (i) approve accelerated vesting based on such performance targets being achieved; or (ii) determine that such Restricted Share Units will not vest, in whole or in part, based on a failure to achieve such performance targets. Upon redemption, the Company is required to pay to the participant the fair market value of the redeemed Restricted Share Units, based on the weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the redemption date, plus any accrued but unpaid Dividend Amounts (as defined below), if any, in respect of such Restricted Share Units (the “**Payout Amount**”). The Payout Amount may be satisfied by the Company making a cash payment, the Company purchasing Common Shares in the market and delivering such Common Shares to the participant or by issuing Common Shares from treasury. In addition, commencing from and after the grant date until the earlier of the redemption date or the date on which such Restricted Share Units terminate in accordance with the terms of the Restricted Share Plan, each participant shall be entitled to receive from the Company, in respect of each Restricted Share Unit held by such participant, an amount equal to the per Common Share amount of any dividend paid by the Company to the holders of Common Shares (the “**Dividend Amount**”), if any. All accrued Dividend Amounts, if any, will be paid to participants on the date of redemption of the Restricted Share Unit to which it relates. Restricted Share Units granted under the Restricted Share Plan are non-assignable and non-transferable by a participant, except through devolution by death or incompetency, and expire on December 31 of the third year following the year in which the original grant is made.

The Restricted Share Plan provides that no Common Shares may be issued to, or purchased on behalf of, a participant under the Restricted Share Plan if such issuance, together with issuances under any other share compensation arrangements including the 2011 Option Plan, could result in: (i) the number of Common Shares reserved for issuance pursuant to issuances or purchases under the Restricted Share Plan in respect of redeemed Restricted Share Units granted to insiders at any time exceeding 10% of the aggregate issued and outstanding Common Shares; or (ii) the issuance to insiders, of Common Shares exceeding within a one year period, 10% of the aggregate issued and outstanding Common Shares. In addition, under the Restricted Share Plan, no Restricted Share Units shall be granted to any one participant if the total number of Common Shares issuable or purchased on behalf of such participant under the Restricted Share Plan, together with any Common Shares reserved for issuance to such participant under Restricted Share Units or any other share compensation arrangement of the Company would exceed 5% of the aggregate issued and outstanding Common Shares.

Subject to any express resolution of the Board passed at any time with respect to the grant of Restricted Share Units, in the event of a “change of control” of the Company, as defined in the Restricted Share Plan, all Restricted Share Units granted to a participant which have not yet vested as of the effective date of the change of control shall immediately vest and be available for redemption as follows: (a) in the event of any change of control other than by way of a take-over bid, such Restricted Share Units shall be available for redemption for a period of 30 days from the effective date of the change of control or until the expiry date for such Restricted Share Units, if earlier (the “**Exercise Period**”) and, failing such redemption, such Restricted Share Units shall be deemed to have been redeemed and the Board of Directors shall be deemed to have received a redemption notice in respect of such Restricted Share Units immediately prior to the close of business on the last day of the Exercise Period; and (b) in the event of a change of control arising as a result of a take-over bid by a person other than the Lundin Group (as such term is defined in the Restricted Share Plan), such Restricted Share Units shall be available for redemption for a period commencing on the date of the take-over bid and ending on the earlier of the tenth day following the expiry date of the take-over bid or the expiry date for such Restricted Share Units (the “**Take-over Exercise Period**”) and, failing such redemption, such Restricted Share Units shall be deemed to have been redeemed and the Board of Directors shall be deemed to have received a redemption notice in respect of such Restricted Share Units immediately prior to the close of business on the last day of the Take-over Exercise Period.

Subject to any express resolution of the Board passed at any time in respect of the grant of Restricted Share Units to a participant to extend the period of time in which such Restricted Share Units may be redeemed, provided that such extension is not beyond the expiry date, in the event a participant's employment with the Company or its subsidiaries is terminated or is alleged to have been terminated for cause, as defined in the Restricted Share Plan, any Restricted Share Units granted to such participant thereunder which have not been vested at such time shall immediately terminate.

Subject to any express resolution of the Board passed at any time with respect to the grant of Restricted Share Units to a participant, in the event: (i) a participant resigns, retires or is terminated for any reason other than for cause; (ii) a participant ceases to be a consultant, as defined in the Restricted Share Plan; (iii) ceases to be a director of the Company, and, in each of the above circumstances, where such participant does not otherwise continue to qualify as a participant under the Restricted Share Plan, or (iv) subject to the applicable provisions of the Restricted Share Plan, a participant takes a leave of absence with the permission of the Company for a period of more than 3 consecutive months, any Restricted Share Units granted to such participant thereunder which have not vested at the applicable effective time shall terminate and such participant shall have 90 days from the effective time, or the expiry date for such vested Restricted Share Units, if earlier, to redeem any such Restricted Share Units and, if not redeemed within such time period, such vested Restricted Share Units shall be deemed to have been redeemed immediately prior to the close of business on the last day of such 90 day (or earlier) redemption period.

Subject to any express resolution of the Board passed at any time with respect to the grant of Restricted Share Units to a participant to extend the period of time in which such Restricted Share Units may be redeemed, provided that such extension is not beyond the expiry date, upon the death or "disability", as defined in the Restricted Share Plan, of a participant (i) any Restricted Share Units granted to such participant which have not yet vested as of the death or disability of such participant and which do not have performance targets shall vest; and (ii) any Restricted Share Units granted to such participant which have not yet vested and which have associated performance targets as of the date of the death or disability of such participant shall vest to the extent such performance targets have been satisfied, and all Restricted Share Units vested as aforesaid shall remain available for redemption by the executor, administrator or personal representative of such participant for a period of one year from the date of death or disability, or the expiry date for such vested Restricted Share Units, if earlier, and, if not redeemed within such period, such vested Restricted Share Units shall be deemed to have been redeemed immediately prior to the close of business of such one (or earlier) redemption period.

Under the Restricted Share Plan, the Board of Directors may amend, suspend or terminate the Restricted Share Plan without Shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a participant where such amendment, suspension or termination materially prejudices the rights of the participant.

The Board of Directors may not, however, without the approval of the Shareholders, make amendments to the Restricted Share Plan: (a) to increase the maximum number of Common Shares that may be issued by the Company from treasury pursuant to Restricted Share Units granted under the Restricted Share Plan; (b) to extend the Expiry Date of Restricted Share Units for the benefit of an insider; or (c) to amend the amendment provisions of the Restricted Share Plan.

The Board of Directors may, at any time and from time to time, without the approval of the Shareholders, amend any term of any outstanding Restricted Share Unit (including, without limitation, the vesting and expiry of the Restricted Share Unit), provided that: (a) any required approval of any regulatory authority or stock exchange is obtained; (b) if the amendments would reduce the fair market value or extend the expiry date of Restricted Share Units previously granted to insiders, approval of the Shareholders must be obtained; (c) the Board of Directors would have had the authority to initially grant the Restricted Share Unit under the terms so amended; and (d) the consent or deemed consent of the participant is obtained if the amendment would materially prejudice the rights of the participant under the Restricted Share Unit.

The Restricted Share Plan provides that Restricted Share Units granted, and dividend amounts paid to participants who are U.S. taxpayers shall be taxed in the U.S. in the year in which the vesting date of the Restricted Share Units occurs. In addition, upon issuance or purchase of Common Shares, payment of cash, or payment of Dividend Amounts prior to a redemption date, a U.S. taxpayer will be subject to United States federal and state income and employment tax withholding, as applicable, to the extent amounts were not previously included in income. Finally, Restricted Share Units granted, and dividend amounts paid to U.S. taxpayers are intended to be exempt from the requirements of section 409A of the Internal Revenue Code of 1986 and applicable regulations issued hereunder.

As at December 31, 2018, the Company had 334,094,324 Common Shares issued and outstanding (334,094,324 Common Shares as at the date hereof). As at December 31, 2018, the Company had an aggregate of 15,491,706

Common Shares (13,250,000 Common Shares as at the date hereof) reserved for issuance under the Restricted Share Plan and 2011 Option Plan in aggregate representing 4.6% (4.0% as at the date hereof) of the Company's issued and outstanding Common Shares as of the date hereof. In addition, as at December 31, 2018, the Company had no stock options (nil stock options as at the date hereof) outstanding under the 2011 Option Plan and 241,706 awards of Restricted Share Units (nil awards of Restricted Share Units as at the date hereof) outstanding under the Restricted Share Plan, representing 0.0% and 0.07% (0.0% and 0.0% as at the date hereof) of the Company's issued and outstanding Common Shares, respectively.

In connection with the 2017 Meeting, the Board determined not to ask Shareholders to approve all unallocated options, rights and other entitlements under the 2011 Option Plan as the Company did not anticipate granting further options under the 2011 Option Plan, instead focusing equity-based compensation on the grant of Restricted Share Units to eligible persons pursuant to the 2014 Restricted Share Plan. As a result, options which were not allocated as of June 8, 2017 and options which were outstanding as of June 8, 2017 and were subsequently cancelled, terminated or exercised are not available for a new grant of options. All of the previously outstanding options issued under the 2011 Option Plan expired on April 28, 2018. The Board may terminate the 2011 Option Plan at any time.

As of December 31, 2018: (i) 17,917,726 Restricted Share Units were available for future issuance under the Restricted Share Plan, which represents 5.36% of the Company's issued and outstanding Common Shares as of such date; and (ii) no Common Shares were available for future issuance under the 2011 Option Plan as the Board determined not to ask Shareholders to approve all unallocated options, rights and other entitlements under the 2011 Option Plan at the 2017 Meeting.

As at December 31, 2018, the Company had issued 39,334 Common Shares (39,334 Common Shares as at the date hereof) under the 2011 Option Plan and 2,660,000 Common Shares (2,660,000 Common Shares as at the date hereof) under the Company's previous incentive stock option plan, representing approximately less than 0.01% and 0.8% respectively (0.01% and 0.8% respectively as at the date hereof), of the issued and outstanding Common Shares. No Common Shares have been issued under the Restricted Share Plan.

The Company's annual burn rate, calculated as described in Section 613(p) of the TSX Company Manual, under the 2011 Option Plan was 0% in the years ended December 31, 2016, 2017 and 2018 as no stock options were granted under the 2011 Stock Option Plan during those years. The Company's annual burn rate, calculated as described in Section 613(p) of the TSX Company Manual, under the 2014 Restricted Share Unit Plan was 5.1% in the year ended December 31, 2016, 1.2% in the year ended December 31, 2017 and 0% in the year ended December 31, 2018.

### **Option Plan**

Since the adoption of the Restricted Share Plan, the Company has determined that all further equity-based incentive compensation will be satisfied pursuant to grants or awards of Restricted Share Units to eligible recipients in accordance with the Restricted Share Plan and the Board had determined not to ask Shareholders to approve all unallocated options, rights and other entitlements under the 2011 Option Plan at the 2017 Meeting. All of the previously outstanding options issued under the 2011 Option Plan expired on April 28, 2018. The Board may terminate the 2011 Option Plan at any time.

However, the 2011 Option Plan, as approved at the Company's annual and special meeting of Shareholders on June 17, 2011, remains in place. The purpose of the 2011 Option Plan was to advance the interests of the Company by, among other things, providing Eligible Persons (as defined below) with additional incentive, encouraging stock ownership by such persons and increasing the proprietary interest of such persons in the success of the Company through the grant of options to purchase Common Shares.

Under the 2011 Option Plan, options may be granted to Eligible Persons. The term "**Eligible Person**" includes, subject to all applicable laws, directors, officers, employees and consultants of the Company or of an Affiliated Entity (as defined below), and a person to whom a director, officer, employee or consultant is married. Upon written notice from an Eligible person and subject to applicable law, any option that might otherwise be granted to that Eligible Person will be granted to a Savings Plan (as defined in the 2011 Option Plan) or a holding company established by and for the sole benefit of the Eligible Person. Options may also be transferred to certain "**Permitted Assigns**" of the foregoing persons, including: (a) a trustee, custodian, or administrator acting on behalf of, or for the benefit of, such person; (b) a holding entity of such a person; (c) a Savings Plan of such person; (d) a spouse of such a person; (e) a trustee, custodian, or administrator acting on behalf of, or for the benefit of the spouse of such a person; (f) a holding entity of the spouse of such a person; or (g) a Savings Plan of the spouse of such person. An "**Affiliated Entity**" means, with respect to the Company, a person or company that controls or that is controlled by the same person or company that controls the Company.

The number of the Company's Common Shares: (a) issued to insiders of the Company, within any 1 year period; and (b) issuable to insiders of the Company, at any time, under the 2011 Option Plan, or when combined with all of the Company's other security-based compensation arrangements, including the 2011 Option Plan, shall not exceed 10% of the Company's total issued and outstanding Common Shares, respectively (the "**Participation Limit**").

The 2011 Option Plan must be administered by the Board, provided that the Board may, by resolution, delegate such administration to the Compensation Committee.

The aggregate number of Common Shares which may be issued under the 2011 Option Plan over and above any Common Shares which may be issued pursuant to options that remain outstanding pursuant to any other equity compensation plans shall not exceed 10% of the aggregate number of Common Shares issued and outstanding (calculated on a non-diluted basis) from time to time. Until June 8, 2017 (the date of the 2017 Meeting), any option granted under the 2011 Option Plan which has been exercised or which has been cancelled, repurchased, expired or terminated in accordance with the 2011 Option Plan without having been exercised shall again be available for subsequent grant under the 2011 Option Plan, effectively resulting in a re-loading of the number of Common Shares available for grant under the 2011 Option Plan. Except for the Participation Limit, the 2011 Option Plan does not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the 2011 Option Plan and any other share compensation arrangement (expressed as a percentage or otherwise).

The purchase or exercise price (the "**Price**") per Common Share subject to each option shall be determined by the Board (or the Compensation Committee). To the extent the Common Shares continue to trade on the TSX and the NASDAQ OMX in Sweden ("**NASDAQ OMX**"), the Price shall not be lower than the closing sale price on the TSX and NASDAQ OMX on the last trading day immediately preceding the date of the grant.

Options shall not be granted for a term exceeding 5 years (the "**Option Period**") and are subject to a vesting schedule as set forth in the 2011 Option Plan (i.e., 1/3 vesting on each of the first, second and third anniversary of the date of grant), unless the Board determines otherwise. Generally, options granted under the 2011 Option Plan may not be transferred by an Eligible Person other than to Permitted Assigns. However, pursuant to the amendment provision of the 2011 Option Plan, the Board has the authority to amend the assignability and transferability of any options granted to any Eligible Person.

If the expiring date of an option falls during or within 3 business days of any period during which a policy of the Company prevents certain persons designated by the said policy from trading in the securities of the Company (a "**Blackout Period**"), the expiry date for the option will be extended for an additional period expiring on the tenth trading day following the end of the Blackout Period.

By its terms, the 2011 Option Plan may be amended by the Board without further approval of the Shareholders, to the extent that such amendments relate to: (a) minor changes of a "housekeeping nature"; (b) amending options under the 2011 Option Plan, including, with respect to the term of the option (provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted and that such option is not held by an insider), vesting period, exercise method and frequency, exercise price (provided that such option is not held by an insider) and method of determining the exercise price, assignability and effect of termination of a participant's employment or cessation of the participant's directorship; (c) changing the class of participants eligible to participate under the 2011 Option Plan; (d) accelerating vesting or extending the expiration of any option (provided that such option is not held by an insider and that the period during which an option is exercisable does not exceed 10 years from the date the option is granted); (e) changing the terms and conditions of any financial assistance which may be provided by the Company to participants to facilitate the purchase of Common Shares under the 2011 Option Plan; and (f) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Common Shares from the 2011 Option Plan reserve.

Notwithstanding the above, in accordance with the rules of the TSX, shareholder approval would be required with respect to amendments that relate to any of the following: (a) a reduction in the exercise price or extension of the term of options granted to an insider of the Company; (b) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the issued and outstanding Common Shares issuable under the 2011 Option Plan; (c) any amendment to remove or to exceed the Participation Limit; and (d) changes to the amendment provisions of the 2011 Option Plan.

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

None of the directors or executive officers of the Company, proposed nominees for election as a director, or associates or affiliates of such persons, have been indebted to the Company or its subsidiaries at any time since the beginning of the last fiscal year.

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

No informed person or any proposed director of the Company, or any of the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has, in either case, materially affected or would materially affect the Company or any of its subsidiaries.

## **GENERAL**

All matters to be brought before the Meeting require, for the passing of same, a simple majority of the votes cast at the Meeting by the Shareholders. If a majority of the Common Shares represented at the Meeting should be voted against the appointment of PwC, as auditors of the Company, the Board will appoint another firm of chartered accountants based on the recommendation of the Audit Committee, which appointment for any period subsequent to the Meeting shall be subject to approval by the Shareholders at a meeting.

## **CORPORATE GOVERNANCE**

### **Statement of Corporate Governance Practices**

The Board and management believe that sound and effective corporate governance is an integral aspect of the Company's performance. The Board has adopted certain practices and procedures to ensure that effective corporate governance practices are followed, and the Board reviews the Company's corporate governance practices and procedures on a regular basis to ensure that they address significant issues of corporate governance.

The Canadian Securities Administrators have published NI 58-101 and National Policy 58-201 – *Corporate Governance Guidelines*, setting forth guidelines for effective corporate governance and corresponding disclosure requirements. The following sets out a description of the Company's approach to corporate governance as required pursuant to NI 58-101.

### **The Board**

The Board, which is responsible for supervising the management of the business and affairs of the Company, comprises 5 directors, of whom 4 are independent within the meaning of NI 58-101. The Board provides an opportunity to hold in-camera sessions without management present, including directors who are members of management, at each meeting of the Board in order to facilitate the exercise of directors' independent judgment. The independent directors currently include Ian Lundin, Aksel Azrac, Garrett Soden and Henrika Frykman. Marco A. Northland, the CEO, is not independent by virtue of being a member of the Company's management. Attached as Appendix A hereto is a list of the other public companies on which current members of the Board also serve as directors. The Board has held 6 meetings since the beginning of its most recently completed financial year. Each of the directors attended all of the Board meetings.

### **Mandate of the Board**

The Mandate of the Board is attached hereto as Appendix B and is available on the Company's website at [www.etrion.com](http://www.etrion.com).

### **Chairman**

Aksel Azrac, the Chairman of the Board is considered to be an independent director. The Chairman of the Board presides at each meeting of the Board and is responsible for coordinating with management and the corporate secretary to ensure that documents are delivered to directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for consideration at meetings and that the Board has an appropriate opportunity to discuss issues at each meeting. The Chairman is responsible for ensuring ethical and effective decision making by the Board. The Chairman of the Board position description is available on the Company's website at [www.etrion.com](http://www.etrion.com).



## Committees of the Board

The Board has established the following Committees of the Board comprised of the current members and chaired by the individuals set out in the following table:

Committee	Members <sup>(1)</sup>
Audit Committee	Garrett Soden (Chairman) Aksel Azrac Henrika Frykman
Compensation Committee	Aksel Azrac (Chairman) Garrett Soden Henrika Frykman
Corporate Governance and Nominating Committee	Aksel Azrac (Chairman) Ian Lundin Henrika Frykman

**Note:**

- (1) All of the members of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee are independent within the meaning of applicable Canadian securities laws.

The Mandate of each Committee of the Board is available on the Company's website at [www.etrion.com](http://www.etrion.com). A detailed description of the Audit Committee together with a copy of the Audit Committee Terms of Reference as required by Form 52-110F1 of Multilateral Instrument 52-110 - *Audit Committees*, is included in the Company's Annual Information Form dated March 12, 2019 (the "**AIF**") and filed on SEDAR.

### Position Descriptions

The Board has developed written position descriptions for the Chairman of the Board, the Chairman of each Committee and the CEO of the Company, copies of which are available on the Company's website at [www.etrion.com](http://www.etrion.com).

### Director Orientation and Continuing Education

New directors currently receive a director manual containing information regarding the roles and responsibilities of the Board, each Committee, the Chairman of the Board, the Chairman of each Committee and the CEO. The director manual distributed to each member of the Board contains information regarding the Company's organizational structure, governance policies including the Board Mandate and each Committee Mandate, the whistle blowing policy and the Code of Business Conduct and Ethics (the "**Code of Conduct**"), which is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.etrion.com](http://www.etrion.com). The director manual is updated as the Company's business, governance documents and policies change. The Company encourages the directors to visit the Company's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Company.

### Ethical Business Conduct

The Board takes reasonable steps to monitor compliance with the Code of Conduct by requiring employees, on the commencement of their employment and as and when directed by management, to sign a copy of the Code of Conduct acknowledging that they have read, understood and will comply with the Code of Conduct. The Code of Conduct applies to the Company's directors, executive officers, management and employees, each of whom is expected to ensure that his or her behaviour accords with the letter and the spirit of the Code of Conduct. The Code of Conduct also encourages all parties who engage in business with the Company to contact an independent member of the Board regarding any perceived and all actual breaches by the Company's directors, officers and employees of the Code of Conduct. The Company will investigate complaints and the Code of Conduct prohibits retaliation by the Company, its directors, executive officers and management against complainants who raise concerns in good faith and requires the Company to maintain the confidentiality of complainants to the greatest extent possible. Complainants may also submit their concerns anonymously in writing.

In addition to the Code of Conduct, the Company has an Audit Committee Mandate regarding the collection and dissemination of accounting information and a whistle blowing policy with respect to reporting accounting and auditing irregularities, copies of which are available on the Company's website at [www.etrion.com](http://www.etrion.com).

Since the beginning of the Company's most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code of Conduct.

## **Exercise of Independent Judgement**

The Board encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs. Directors are required to abide by the Code of Conduct and are expected to make responsible and ethical decisions in discharging their duties, thereby setting an example of the standard to which management and employees should adhere. The Board is required by its mandate to satisfy itself that the CEO and other executive officers are acting with integrity and fostering a culture of integrity throughout the Company.

The Board is responsible for reviewing departures from the Code of Conduct by executive officers, management and employees, reviewing and either providing or denying waivers from the Code of Conduct, and disclosing any waivers that are granted in accordance with applicable law. The Board as a whole is responsible for responding to conflict of interest situations involving directors, particularly with respect to existing or proposed transactions and agreements in respect of which directors advise they have a material interest.

## **Conflicts of Interest**

The Mandate of the Board requires that directors and officers disclose any material interest in any transaction or agreement with the Company that an individual director, if requested by the Board, excuses himself from Board deliberations, and that directors do not vote in respect of transactions in which they have an interest. The Company's directors and officers abide by the disclosure of conflict of interest provisions contained in the *Business Corporations Act* (British Columbia) which are incorporated into the Code of Conduct by reference. By taking these steps, the Board strives to ensure that directors at meetings of the Board exercise independent judgement, unclouded by the relationships of the directors and officers to each other and the Company, in considering transactions and agreements in respect of which directors and executive officers have an interest.

## **Director Nomination**

Responsibility for identifying new candidates to join the Board belongs to the Board as a group. The Board is responsible for identifying qualified candidates and recommending nominees for election as directors. The Board is required to consider candidates independence, financial acumen, skills and available time to devote to the duties of the Board in making their recommendations for nomination. The Board of directors reviews the composition and size of the Board and tenure of directors in advance of annual meetings when directors are elected by the Company's Shareholders, as well as when individual directors indicate that their terms may end or that their status may change.

## **Compensation**

Information with respect to the Compensation Committee's responsibilities, powers and independence from management, as well as a discussion of the Compensation Committee's process for recommending NEO compensation is provided under the heading "Executive Compensation-Compensation Discussion and Analysis".

## **Director Assessment**

The Board has not to date implemented a formal process for assessing the effectiveness and contribution of the Board as a whole, its committees or individual directors. Given the limited number of directors and the Company's current stage of development, the Board has determined that formal assessment is not meaningful at the present time. In light of the fact that the Board and its committees meet on a periodic basis, each director has an opportunity to assess on an ongoing basis the Board as a whole, its committees and other directors in relation to the Board's and such director's assessment of the competencies and skills that the Board and its committees should possess.

## **Director Term Limits**

The Company has not set director term limits, nor provided any formal mechanism of Board renewal. However, on a technical level, each director's term ends no later than the next annual shareholders' meeting. The Company considers that a fixed term of office or a formal mechanism for board renewal is not an efficient or appropriate manner to guarantee board performance. In selecting candidates for composition of the board, the Company favours the intrinsic qualities sought after in a director (whether male or female), such as management experience, leadership, career success, understanding of financial questions, knowledge of the Company, its business and the solar power industry, reputation, and complementarities with the other members of the board and the management.

In addition, the Company is of the opinion that limiting the duration of director terms could deprive the Company of the benefit of continuity, and the knowledge and experience of the Company and its business, which long-time directors would have.

## **Gender Diversity on the Board of Directors and Senior Management**

On May 14, 2019 the Board adopted a Board Diversity Policy (the “**Diversity Policy**”), which confirms the Company’s commitment to diversity on its Board, with a specific emphasis on gender diversity. The Company believes that a Board made up of highly qualified individuals from diverse backgrounds promotes better corporate governance, performance and effective decision-making. The Company is committed to diversity on its Board and recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role women with appropriate and relevant skills and experience can play in contributing to the diversity perspective on the Board. In selecting candidates to the Board and management, the Company gives appropriate consideration to women along with a variety of other factors including the skills, qualities, experience and expertise to find the best candidate to be an effective member of the Board, while having due regard to the benefits of diversity and the needs of the Board. The Company believes the Board should reflect the diverse nature of the business environment in which the Company operates.

The Board has not, at this time, adopted any fixed targets or quotas relating to the representation of women on the Board or in executive officer positions as it does not believe that quotas or a formulaic approach necessarily result in the identification or selection of the best candidates.

Currently, the Company has one woman that is a member of its Board (20%) and no women that are executive officers (0%). From December 2012 until November 16, 2015, the Company had a female Chief Financial Officer.

## **Swedish Corporate Governance Rules**

Notwithstanding that the Company has a secondary listing on the NASDAQ OMX in Sweden, it is not required to comply with or follow the Swedish rules of corporate governance as set forth in the Swedish Corporate Governance Code (the “**Swedish Code**”). The Board and management of the Company believes in adhering to best practice corporate governance on a global level wherever possible and a description of the key differences between the Swedish Code and the Canadian corporate governance principles followed by the Company are provided in Appendix C.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s comparative consolidated financial statements and management’s discussion and analysis (“**MD&A**”) for the year ended December 31, 2018. Copies of the Company’s consolidated financial statements and MD&A may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or upon request, free of charge, at the office of the Company c/o Regus, rue du commerce 4, 1204 Geneva, Switzerland (telephone: +41 22 715 2090 / facsimile: + 41 22 715 2099).

**APPENDIX A**

**LIST OF COMPANY DIRECTORSHIPS FOR IAN LUNDIN**

<b>Reporting issuer (or equivalent)</b>
Lundin Petroleum AB

**LIST OF COMPANY DIRECTORSHIPS FOR MARCO A. NORTHLAND**

<b>Reporting issuer (or equivalent)</b>
N/A

**LIST OF COMPANY DIRECTORSHIPS FOR GARRETT SODEN**

<b>Reporting issuer (or equivalent)</b>
Africa Energy Corp. Gulf Keystone Petroleum Ltd Panoro Energy ASA Phoenix Global Resources plc

**LIST OF COMPANY DIRECTORSHIPS FOR AKSEL AZRAC**

<b>Reporting issuer (or equivalent)</b>
N/A

**LIST OF COMPANY DIRECTORSHIPS FOR HENRIKA FRYKMAN**

<b>Reporting issuer (or equivalent)</b>
N/A

**APPENDIX B**  
**ETRION CORPORATION**  
**(the “Corporation”)**  
**BOARD OF DIRECTORS’ MANDATE**

*Stewardship of the Corporation*

1. The Board of Directors (the “**Board**”) is responsible for:
  - (a) stewardship of the Corporation;
  - (b) supervising the management of the business and affairs of the Corporation; and
  - (c) providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making.

*Legal Obligations*

2. The Board has the responsibility to:
  - (a) act honestly and in good faith with a view to the best interests of the Corporation;
  - (b) exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances; and
  - (c) direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.

*Board Composition*

3. A majority of the members of the Board will, at all times, be independent directors as defined in then current laws applicable to the Corporation.
4. To be considered for nomination and election to the Board, directors must demonstrate an appropriate mix of skills, knowledge and experience in business and a history of achievement. Directors are required to commit the requisite time for all of the Board of Directors’ business and will demonstrate integrity, accountability and informed judgement.
5. In the event that the Chairman of the Board is not an independent director, as defined in then current laws applicable to the Corporation, the Board may appoint a lead director to act as the effective leader of the Board and to ensure that the Board’s agenda will enable it to successfully carry out its duties.

*Board Meetings*

6. The Board is responsible to:
  - (a) meet either in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board;
  - (b) hold meetings of the independent directors, if necessary, without management and non-independent directors present;
  - (c) comply with the position description applicable to individual directors; and
  - (d) administer, and comply with, the Corporation’s Majority Voting Policy (the “**Majority Voting Policy**”).

*Committees of the Board*

7. The Board is responsible to:
  - (a) establish such committees of the Board (each, a “**Committee**”) as are required by applicable law and as are necessary to effectively discharge the duties of the Board;
  - (b) appoint directors to serve as members of each Committee;

- (c) appoint a Chairman of each Committee to:
  - (i) provide leadership to the Committee;
  - (ii) manage the affairs of the Committee; and
  - (iii) ensure that the Committee functions effectively in fulfilling its duties to the Board and the Corporation; and
- (d) receive and consider reports and recommendations of each Committee, in particular:
  - (i) Audit Committee reports and recommendations, particularly with respect to the Corporation's annual audit; and
  - (ii) Compensation Committee recommendations regarding corporate goals and objectives, Board assessments and compensation.

#### *Supervision of Management*

8. The Board is responsible to:
- (a) select and appoint the Chief Executive Officer, and with the assistance of the Compensation Committee, establish Chief Executive Officer goals and objectives and evaluate Chief Executive Officer performance;
  - (b) assist the Chief Executive Officer to select and appoint executive officers, establish executive officers' goals and objectives and monitor their performance; and
  - (c) maintain a succession plan for the replacement of the Chief Executive Officer and other executive officers.

#### *Governance*

9. The Board is responsible to:
- (a) annually review and either approve or require revisions to the Mandates of the Board and each Committee, position descriptions, the Code of Business Conduct and Ethics (the "**Code**") and all other policies of the Corporation, including, without limitation, the Majority Voting Policy (collectively the "**Governance Documents**");
  - (b) take reasonable steps to satisfy itself that each director, the Chief Executive Officer and the executive officers are:
    - (i) performing their duties ethically;
    - (ii) conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents;
    - (iii) fostering a culture of integrity throughout the Corporation; and
  - (c) arrange for the Governance Documents to be publicly disclosed.

#### *Communications*

10. The Board is responsible to review and consider the implementation of a disclosure policy which provides for disclosure and communications practices governing the Corporation.

#### *Waivers & Conflicts*

11. The Board is responsible for:
- (a) reviewing departures from the Code;
  - (b) providing or denying waivers from the Code; and
  - (c) reviewing the necessity for making any filings required by securities laws in connection with departures from the Code.

### *Strategic Planning*

12. The Board, together with management of the Corporation, has the duty to adopt a strategic planning process and to approve, as required, a strategic plan which takes into account, among other things, the opportunities and risks of the business.

### *Risk Management*

13. The Board has the duty to:
  - (a) adopt a process to identify the principal risks of the Corporation's business and ensure the implementation of appropriate systems to manage these risks; and
  - (b) together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's:
    - (i) disclosure controls and procedures;
    - (ii) internal controls over financial reporting;
    - (iii) management information systems; and
    - (iii) auditing and accounting principles and practices.

### *Financial Management*

14. The Board has the duty to:
  - (a) review, and on the advice of the Audit Committee, approve, prior to their public dissemination:
    - (i) annual and interim financial statements and notes thereto;
    - (ii) the annual and interim managements' discussion and analysis of financial condition and results of operations;
    - (iii) relevant sections of the annual report, annual information form and management information circular containing financial information;
    - (iv) forecasted financial information and forward-looking information and statements; and
    - (iv) all press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed; and
  - (b) approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

### *Materials*

15. The Board has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

### *Advisors*

16. The Board has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

**APPENDIX C**  
**COMPARISON OF SWEDISH CODE AND**  
**CANADIAN CORPORATE GOVERNANCE RULES**

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
1.1	As soon as the date and venue of the shareholders' meeting have been decided, and in the case of annual general meetings ("AGM") no later than in conjunction with the third quarter report, the information is to be posted on the company's website. This information is also to include the closing date for matters to be submitted by shareholders for inclusion in the notice of meeting.	Partially	Pursuant to rules of the Toronto Stock Exchange ("TSX"), annual shareholder meetings are held within 6 months of the fiscal year end and meeting materials are posted on the Company's website generally at least 30 days prior to the meeting. There is no requirement to include a deadline for issues to be submitted by shareholders in the notice of meeting, or otherwise.
1.2	The company chair and as many members of the board as are required for a quorum are to be present at shareholders' meetings. The chief executive officer is to attend. At least one member of the company's nomination committee, at least one of the company's auditors and, if possible, each member of the board are to be present at the AGM.	Partially	Quorum requirements are set forth in the Company's Articles and do not require director attendance. The CEO is not required to attend but typically does so, along with the CFO. There is no requirement for a person from a nomination committee (which the Company, as a Canadian company, is not required to have under applicable Canadian securities and corporate laws, including TSX rules) or for the Company's auditors to be present at the AGM.
1.3	The company's nomination committee is to propose a chair for the AGM. The proposal is to be presented in the notice of the meeting.	Partially	Pursuant to the Articles of the Company, the Chairman of the Board is to act as Chairman of the AGM in the first instance, and if such individual is absent or unwilling to act, then the Articles set out the order in which an alternate chair may be selected.
1.4	If the ownership structure warrants it, and it is financially feasible given the financial situation of the company, the company is to offer simultaneous interpretation of the shareholders' meeting into other relevant languages than Swedish, as well as translation of all or parts of the meeting documentation. The same applies to the minutes of the meeting.	No	Meetings are held in English.
1.5	A shareholder, or a proxy representative of a shareholder, who is neither a member of the board nor an employee of the company is to be appointed to verify and sign the minutes of the shareholders' meeting.	No	There is no requirement for a shareholder, or a representative of a shareholder to verify the minutes of a shareholders' meeting. Generally, the Company's legal counsel is present at such meetings and is engaged by the Company to review the minutes of the shareholders' meeting.



Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
2.1	<p>The company is to have a nomination committee. The nomination committee is to propose candidates for the post of chair and other members of the board, as well as fees and other remuneration to each member of the board. In its assessment of the board's composition and in its proposals in accordance with rule 4.1, the nomination committee is to give particular consideration to the requirements regarding breadth and versatility on the board, as well as the requirement to strive for gender balance. The nomination committee is also to present proposals on the election and remuneration of the statutory auditor. The nomination committee's proposal to the shareholders' meeting on the election of the auditor is to include the audit committee's recommendation (or that of the board of directors if it does not have an audit committee). If the proposal differs from the alternative preferred by the audit committee, the reasons for not following the committee's recommendation are to be stated in the proposal. The auditor or auditors proposed by the nomination committee must have participated in the audit committee's selection process if the company is obliged to have such a procedure.</p>	Partially	<p>The Company is not required to have a nomination committee; however on <b>August 4, 2017</b>, the Board established the Corporate Governance and Nominating Committee for the purpose of developing and monitoring the Company's approach to corporate governance issues, including identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders. The Board is also served by the Compensation Committee which makes recommendations to the Board on matters of remuneration, and the Audit Committee which makes recommendations to the Board as to the remuneration of the Company's auditors.</p>
2.2	<p>The shareholders' meeting is to appoint members of the nomination committee or to specify how they are to be appointed. This decision is to include procedures for replacing members of the nomination committee who leave before its work is concluded.</p>	No	<p>The responsibilities of the Corporate Governance and Nominating Committee include identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders.</p>
2.3	<p>The nomination committee is to have at least three members, one of whom is to be appointed committee chair. The majority of the members of the nomination committee are to be independent of the company and its executive management. Neither the chief executive officer nor other members of the executive management are to be members of the nomination committee. At least one member of the nomination committee is to be independent of the company's largest shareholder in terms of votes or any group of shareholders who act in concert in the governance of the company.</p>	Yes	<p>There are <b>three</b> members of the Corporate Governance and Nominating Committee, all three of which are currently independent within the meaning of applicable Canadian securities laws and none of which are members of executive management. At least one member of the Corporate Governance and Nominating Committee is independent of the company's largest shareholder in terms of votes or any group of shareholders who act in concert in the governance of the company.</p>
2.4	<p>Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. Neither the company chair nor any other member of the board may chair the nomination committee. If more than one member of the board is on the nomination committee, no more than one of these may be dependent of a major shareholder in the company.</p>	No	<p>All of the members of the Corporate Governance and Nominating Committee are also members of the Board.</p>
2.5	<p>The company is to announce the names of members of the nomination committee on its website no later than six months before the AGM. If any</p>	No	<p>The names of the members of the Corporate Governance</p>

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
	committee member has been appointed by a particular owner, that owner's name is to be stated. If any member leaves the committee, this information is to be announced. If a new member is appointed to the nomination committee, the corresponding information about the new member is to be provided. The website is also to provide information on how shareholders may submit recommendations to the nomination committee.		and Nominating Committee are disclosed in the Company's annual information form as well as the management information circular in respect of its annual general meeting. The Company's website does not provide information about the Corporate Governance and Nominating Committee and member changes are not announced.
2.6	<p>The nomination committee's proposals are to be presented in the notice of the shareholders' meeting where the election of board members or auditor is to be held as well as on the company's website. When the notice of the shareholders' meeting is issued, the nomination committee is to issue a statement on the company's website explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board contained in Code rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1. If the outgoing chief executive officer is nominated for the post of chair, reasons for this proposal are also to be fully explained. The statement is also to include an account of how the nomination committee has conducted its work and, for certain companies, a description of the diversity policy applied by the nomination committee in its work. The following information on candidates nominated for election or re-election to the board is to be posted on the company's website:</p> <ul style="list-style-type: none"> <li>• the candidate's year of birth, principal education and professional experience,</li> <li>• any work performed for the company and other significant professional commitments,</li> <li>• any holdings of shares and other financial instruments in the company owned by the candidate or the candidate's related natural or legal persons,</li> <li>• whether the nomination committee, in accordance with Code rules 4.4 and 4.5, deems the candidate to be independent of the company and its executive management, as well as of major shareholders in the company.</li> </ul> <p>Where circumstances exist that may call this independence into question, the nomination committee is to justify its position regarding candidates' independence,</p> <ul style="list-style-type: none"> <li>• in the case of re-election, the year that the person was first elected to the board.</li> </ul>	Partially	<p>The responsibilities of the Corporate Governance and Nominating Committee include identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders. At each annual general meeting, the shareholders of the Company vote (FOR or WITHOLD) to elect the members of the Board included in the Company's management information circulated sent to shareholders in connection with such meeting.</p> <p>Pursuant to applicable Canadian securities laws, the Company provides substantively similar disclosure as required under the Swedish Code with respect to directors seeking election to the Board and each such member's involvement with the committees of the Board.</p>
2.7	At a shareholders' meeting where the election of board members or auditors is to be held, the nomination committee is to present and explain its proposals with regard to the requirements concerning composition of the board contained in rule 4.1. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1.	No	The responsibilities of the Corporate Governance and Nominating Committee include identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders. The Corporate Governance and Nominating Committee does not present and explain its proposals at the Company's annual general meetings.
3.1	<p>The principle tasks of the board of directors include</p> <ul style="list-style-type: none"> <li>• establishing the overall goals and strategy of the company,</li> <li>• appointing, evaluating and, if necessary, dismissing the chief executive officer,</li> </ul>	Yes	

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
	<ul style="list-style-type: none"> <li>• defining appropriate guidelines to govern the company’s conduct in society, with the aim of ensuring its long-term value creation capability,</li> <li>• ensuring that there is an appropriate system for follow-up and control of the company’s operations and the risks to the company that are associated with its operations,</li> <li>• ensuring that there is a satisfactory process for monitoring the company’s compliance with laws and other regulations relevant to the company’s operations, as well as the application of internal guidelines, and</li> <li>• ensuring that the company’s external communications are characterised by</li> <li>• openness, and that they are accurate, reliable and relevant.</li> </ul>		
3.2	The board is to approve any significant assignments the chief executive officer has outside the company.	Yes	
4.1	The board is to have a composition appropriate to the company’s operations, phase of development and other relevant circumstances. The board members elected by the shareholders’ meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board.	Yes	
4.2	Deputies for directors elected by the shareholders’ meeting are not to be appointed.	Yes	The concept of a deputy director does not exist under the Company’s corporate statute.
4.3	No more than one elected member of the board may be a member of the executive management of the company or a subsidiary.	No	Under applicable Canadian securities and corporate laws and the Company’s internal rules, the Company is not subject to such a requirement. The Company complies with the “independency” requirements as set forth under applicable Canadian securities laws and currently only the CEO and the CFO, both of whom are also directors, are part of the executive management.
4.4	<p>The majority of the directors elected by the shareholders’ meeting are to be independent of the company and its executive management. A director’s independence is to be determined by a general assessment of all factors that may give cause to question the individual’s independence and integrity with regard to the company or its executive management. Factors that should be considered include:</p> <ul style="list-style-type: none"> <li>• whether the individual is the chief executive officer or has been the chief executive officer of the company or a closely related company within the last five years,</li> <li>• whether the individual is employed or has been employed by the company or a closely related company within the last three years,</li> <li>• whether the individual receives a not insignificant remuneration for advice or other services beyond the remit of the board position from the company, a closely related company or a person in the executive management of the company,</li> <li>• whether the individual has or has within the last year had a significant business relationship or other significant financial dealings with the company or a closely related company as a client, supplier or partner, either individually or as a member of the executive management, a member of the board or a major shareholder in a company with such a business relationship with the company,</li> <li>• whether the individual is or has within the last three years been a partner at, or has as an employee participated in an audit of the company conducted by, the company’s or a closely related company’s current or then auditor,</li> <li>• whether the individual is a member of the executive management of another company if a member of the board of that company is a member of the executive management of the company, or</li> </ul>	Yes	

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
	<ul style="list-style-type: none"> <li>whether the individual has a close family relationship with a person in the executive management or with another person named in the points above if that person's direct or indirect business with the company is of such magnitude or significance as to justify the opinion that the board member is not to be regarded as independent.</li> </ul> <p>A closely related company is defined in this context as another company in which the company holds, directly or indirectly, at least ten per cent of the shares, ownership interest or votes, or a financial share that confers an entitlement of at least ten per cent of the yield. If the company owns more than 50 per cent of the shares, ownership interest or votes in another company, it is to be regarded as indirectly holding the latter company's ownership in other companies.</p>		
4.5	<p>At least two of the members of the board who are independent of the company and its executive management are also to be independent in relation to the company's major shareholders. In order to determine a board member's independence and integrity, the extent of the member's direct and indirect relationships with major shareholders is to be taken into consideration. A member of the board who is employed by or is a board member of a company which is a major shareholder is not to be regarded as independent. In this context, a major shareholder is defined as controlling, directly or indirectly, at least ten per cent of the shares or votes in the company. If a company owns more than 50 per cent of the shares, ownership interest or votes in another company, the former is regarded as having indirect control of the latter company's ownership in other companies.</p>	Yes	
4.6	<p>Nominees to positions on the board are to provide the nomination committee with sufficient information to enable an assessment of the candidate's independence as defined in 4.4 and 4.5.</p>	Partially	<p>The responsibilities of the Corporate Governance and Nominating Committee include identifying individuals qualified to become new Board members and recommending to the Board the director nominees for the next annual meeting of shareholders. Nominees to the Board are asked to provide the information necessary for the Corporate Governance and Nominating Committee to assess their qualifications.</p>
4.7	<p>Members of the board are to be appointed for a period extending no longer than to the end of the next AGM.</p>	Yes	
5.1	<p>Each director is to form an independent opinion on each matter considered by the board and to request whatever information he or she believes necessary for the board to make well-founded decisions.</p>	Yes	
5.2	<p>Each director is to acquire continuously the knowledge of the company's operations, organisation, markets etc. that is necessary to carry out the assignment.</p>	Yes	
6.1	<p>The chair of the board is to be elected by the shareholders' meeting. If the chair relinquishes the position during the mandate period, the board is to elect a chair from among its members to serve until a new chair has been elected by the shareholders' meeting.</p>	No	The Board elects the Chair.
6.2	<p>If the chair of the board is an employee of the company or has duties assigned by the company in addition to his or her responsibilities as chair, the division of work and responsibilities between the chair and the chief executive officer is to be clearly stated in the board's statutory Rules of Procedure and its Instruction to the Chief Executive Officer.</p>	Yes	
6.3	<p>The chair is to ensure that the work of the board is conducted efficiently and that the board fulfils its obligations. In particular, the chair is to</p> <ul style="list-style-type: none"> <li>organise and lead the work of the board to create the best possible conditions for the board's activities,</li> </ul>	Yes	

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
	<ul style="list-style-type: none"> <li>• ensure that new board members receive the necessary introductory training, as well as any other training that the chair and member agree is appropriate,</li> <li>• ensure that the board regularly updates and develops its knowledge of the company,</li> <li>• be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board,</li> <li>• ensure that the board receives sufficient information and documentation to enable it to conduct its work,</li> <li>• in consultation with the chief executive officer, draw up proposed agendas for the board's meetings,</li> <li>• verify that the board's decisions are implemented, and</li> <li>• ensure that the work of the board is evaluated annually.</li> </ul>		
7.1	The board is to review the relevance and appropriateness of its statutory Rules of Procedure, Instruction to the Chief Executive Officer and Reporting Instruction at least once a year.	Partially	The Board, its committees, and its individual members operate pursuant to certain mandates, charters and position descriptions. The Board periodically undertakes a review of its effectiveness as a board. Changes in its operating procedures are reflected in the Board minutes.
7.2	If the board establishes special committees to prepare its decisions on specific issues, its Rules of Procedure are to specify the duties and decision-making powers that the board has delegated to these committees and how the committees are to report to the board. Committees are to keep minutes of their meetings and the minutes are to be made available to the board.	Yes	
7.3	The board is responsible for ensuring that the company has good internal controls. The board is to ensure that the company has formalised routines to ensure that approved principles for financial reporting and internal controls are applied, and that the company's financial reports are produced in accordance with legislation, applicable accounting standards and other requirements for listed companies. For companies that do not have a separate internal audit function, the board of directors is to evaluate the need for such a function annually and to explain its decision in its report on internal controls in the company's corporate governance report.	Yes	
7.4	The description of the company's internal controls included in the corporate governance report is also to include the board's measures for monitoring that the internal controls related to financial reports and reporting to the board function adequately.		
7.5	At least once a year, the board is to meet the company's statutory auditor without the chief executive officer or any other member of the executive management present.	Yes	
7.6	The board of directors is to ensure that the company's six- or nine-month report is reviewed by the statutory auditor.	Yes	
8.1	The board of directors is to evaluate its work annually, using a systematic and structured process, with the aim of developing the board's working methods and efficiency. The results of this evaluation are to be reported to the nomination committee. The corporate governance report is to state how the board evaluation was conducted and reported.	Yes	
8.2	The board is to continuously evaluate the work of the chief executive officer. The board is to examine this issue formally at least once a year, and no member of the executive management is to be present during this evaluation process.	Yes	
9.1	<p>The board is to establish a remuneration committee, whose main tasks are to :</p> <ul style="list-style-type: none"> <li>• prepare the board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management,</li> </ul>	Partially	The Company's Compensation Committee reviews policies and makes recommendations to the Board regarding remuneration matters.

Swedish Code Rule No.	Text of Swedish Code	Comply (Yes / No / Partially)	Explanation for non-compliance and description of alternative adopted solution
	<ul style="list-style-type: none"> <li>• monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management, and</li> <li>• monitor and evaluate the application of the guidelines for remuneration of the board and executive management that the AGM is legally obliged to establish, as well as the current remuneration structures and levels in the company.</li> </ul>		
9.2	The chair of the board may chair the remuneration committee. The other shareholders' meeting-elected members of the committee are to be independent of the company and its executive management. If the board considers it is more appropriate, the entire board may perform the remuneration committee's tasks, on condition that no board member who is also a member of the executive management participates in this work.	Partially	Members of the Compensation Committee are members of the Board and are appointed by the Board whose members are elected by shareholders.
9.3	If the remuneration committee or the board uses the services of an external consultant, it is to ensure that there is no conflict of interest regarding other assignments this consultant may have for the company or its executive management.	Yes	
9.4	Variable remuneration is to be linked to predetermined and measurable performance criteria aimed at promoting the company's long-term value creation.	Partially	The Compensation Committee makes recommendations to the Board for their consideration and approval.
9.5	Variable remuneration paid in cash is to be subject to predetermined limits regarding the total outcome.	Partially	The Compensation Committee has been provided with the discretion to award annual bonuses up to a specified percentage.
9.6	The shareholders' meeting is to decide on all share and share-price related incentive schemes for the executive management. The decision of the shareholders' meeting is to include all the principle conditions of the scheme.	Partially	Shareholders generally approve equity-based compensation arrangements (such as the Company's existing equity compensation plans) at the time such schemes are put into place and information about the scheme is provided in the management information circular provided to shareholders in connection with the shareholders' meeting to approve such scheme. Grants under the Company's equity compensation plans are made on the recommendation of the Compensation Committee and approved by the Board.
9.7	Share and share-price related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders. The vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the company is promoted. Programmes designed for board members are to be devised by the company's owners and to promote long-term ownership of shares.	Yes	
9.8	Fixed salary during a period of notice and severance pay are together not to exceed an amount equivalent to the individual's fixed salary for two years.	No	Compensation and severance is determined pursuant to the terms of the executive's employment agreement, if any.
10.1	In its corporate governance report, the company is to state clearly	Yes	

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	<ul style="list-style-type: none"> <li>• which Code rules it has not complied with,</li> <li>• explain the reasons for each case of non-compliance and</li> <li>• describe the solutions it has adopted instead.</li> </ul>		
10.2	<p>As well as the items stipulated by legislation, the following information is to be included in the corporate governance report if it is not presented in the annual report:</p> <ul style="list-style-type: none"> <li>• the composition of the company’s nomination committee. If any member of the committee has been appointed by a particular owner, the name of this owner is also to be stated,</li> <li>• the information on each member of the board that is required by the third paragraph of Code rule 2.6,</li> <li>• the division of work among members of the board and how the work of the board was conducted during the most recent financial year, including the number of board meetings held and each member’s attendance at board meetings,</li> <li>• the composition, tasks and decision-making authority of any board committees, and each member’s attendance at the respective committee’s meetings,</li> <li>• how board evaluation was conducted and reported,</li> <li>• a description of internal controls in accordance with paragraph 3 of rule 7.3 and with rule 7.4,</li> <li>• for the chief executive officer: <ul style="list-style-type: none"> <li>- year of birth, principal education and work experience,</li> <li>- significant professional commitments outside the company, and</li> <li>- holdings of shares and other financial instruments in the company or similar holdings by related natural or legal persons, as well as significant shareholdings and partnerships in enterprises with which the company has important business relations, and any infringement of the stock exchange rules applicable to the company, or any breach of good practice on the securities market reported by the relevant exchange’s disciplinary committee or the Swedish Securities Council during</li> </ul> </li> <li>• the most recent financial year.</li> </ul>	Partially	Similar information as required under applicable Canadian securities laws is provided in the management information circular provided to shareholders in advance of the Company’s AGM.
10.3	<p>The company is to have a section of its website devoted to corporate governance matters, where the company’s ten most recent corporate governance reports are to be posted, together with that part of the audit report which deals with the corporate governance report or the auditor’s written statement on the corporate governance report. The corporate governance section of the website is to include the company’s current articles of association, along with any other information required by the Code. It is also to include up to date information regarding:</p> <ul style="list-style-type: none"> <li>• members of the board, the chief executive officer and the statutory auditor, and</li> <li>• a description of the company’s system of variable remuneration to the board and executive management, and of each outstanding share- and share-price related incentive scheme.</li> </ul> <p>The board is also to publish the results of the evaluation required by points two and three of Code rule 9.1 in the corporate governance section of the company’s website no later than three weeks before the AGM.</p>	Yes	
10.4	<p>Companies which are legally required to publish a sustainability report or which without being subject to this requirement voluntarily publish such a report are to make available on their websites the ten most recent years’ sustainability reports, along with the part of the auditor’s report which covers the sustainability report or the auditor’s written statement on the sustainability report.</p>	No.	This requirement does not apply to companies like Etrion