

## **SUMMARY OF DIFFERENCES - SHAREHOLDER RIGHTS CANADA AND SWEDEN APPLICABLE TO NGE<sub>x</sub> RESOURCES INC.**

*Dated: July 1, 2014*

*The following is a summary of the main differences between the rights of shareholders in NGE<sub>x</sub> Resources Inc. (“NGE<sub>x</sub>” or the “Company”) based upon current Canadian legislation, Canadian corporate governance principles and the Company’s current articles of continuance and by-laws as compared to the rights of shareholders generally under Swedish corporate law (in those parts applicable on companies whose shares are subject to trading on a regulated market) and Swedish corporate governance principles. The Company is not required to comply with Swedish corporate governance rules. The summary is of a general nature and it is not an exhaustive review of all potentially relevant differences between Canadian and Swedish law or corporate governance requirements.*

### **The business of NGE<sub>x</sub>**

#### **CANADA**

The articles of incorporation do not restrict the Company from carrying on its business.

#### **SWEDEN**

Under the Swedish Companies Act, the objectives of a Swedish company must be set out in the articles of association. These objectives set out the limits within which a company can operate.

### **Shares**

#### **CANADA**

The Shares have been issued in accordance with the *Canada Business Corporations Act* (“CBCA”). The capital structure of the Company is composed of an unlimited number of common shares without par value (referred to as “Shares”).

#### **SWEDEN**

Under the Swedish Companies Act, a company may issue different classes of shares only if such share classes are specified in a company’s articles of association. The articles shall also contain limitations on the minimum and maximum number of shares and of each share class.

### **Voting rights**

#### **CANADA**

Under the CBCA, a corporation is required to prepare a list of shareholders entitled to vote as of the record date that shows the number of Shares held by each shareholder. A registered shareholder can either attend the meeting and vote him or herself or appoint someone else to vote his or her Shares (a “proxy holder”). A shareholder appoints a proxy holder to attend and act on the shareholder's behalf at a meeting of shareholders by giving the proxy holder a completed and executed form of proxy. A proxy holder is required to vote the Shares in accordance with the shareholder's instructions.

A non-registered shareholder has beneficial ownership of the shares, but a bank, trust company, securities broker or other financial institution (an “intermediary”) is the registered holder that holds the Shares on behalf of the beneficial owner. The intermediary cannot vote the Shares registered in its name unless it receives written voting instructions from the beneficial owner. If the beneficial owner requests and provides an intermediary with appropriate documentation, the intermediary must appoint the beneficial owner or nominee of the beneficial owner as proxy holder.

Unless the by-laws otherwise provide, any meeting may be held entirely by means of a telephonic, electronic or other communication facility, provided the corporation makes available such a communication facility and it is in accordance with the regulations under the CBCA.

## **SWEDEN**

Under the Swedish Companies Act, all shares carry one vote unless different share classes with different voting rights are provided for in the articles of association of the company. No share may however have a voting right which exceeds ten times the voting rights of any other share.

Shareholders registered in the share register as of the record date for a general meeting are entitled to vote at such general meeting (in person or by appointing a proxy holder). Shareholders with shares registered through a nominee must request to be temporarily registered as a shareholder of record on the record date in order to participate in a general meeting. The share register is kept by Euroclear and the record date for a general meeting shall be the fifth business day prior to the date of the meeting. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend the shareholders’ meeting.

## **Shareholder meetings**

### **CANADA**

Under the CBCA, the directors of a corporation shall call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting but no later than six months after the end of the corporation’s preceding financial year. Meetings of shareholders can be held at any place in Canada, and may be held at a place outside of Canada if the place is specified in the articles or all shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Special meetings of shareholders may be called by the Board at any time or by a court upon the application of a director or shareholder entitled to vote at a meeting. The holders of not less than five per cent of the issued Shares may also requisition the directors to call a meeting of the shareholders for the purposes stated in the requisition and subject to certain exemptions, on receiving the requisition, the directors shall call a meeting of shareholders. If the directors fail to do so within 21 days, any shareholder who signed the requisition may call the meeting.

Under the CBCA, shareholder action without a meeting may only be taken by written resolution signed by all shareholders who would be entitled to vote thereon at a meeting.

### **SWEDEN**

Under the Swedish Companies Act, the board of directors is responsible for convening general meetings but holders of not less than ten percent of all shares in the company may request that an extraordinary general meeting is convened. If so requested, the board has two weeks to issue a notice to convene the general meeting failing which the shareholder can request that the Companies Registration Office convenes the meeting. General

meetings shall be held in the municipality in which the board of directors holds its registered office or in another municipality in Sweden if specified in the articles of association.

The general meeting shall be opened by the chairman of the board or such person as the board has decided. Moreover, the Swedish corporate governance code stipulates that the chairman of the board of directors together with a quorum of directors, as well as the chief executive officer, shall attend general meetings. The chairman of the general meeting shall be nominated by the nomination committee and elected by the general meeting.

Minutes from general meetings shall be available on the company's website no later than two weeks after the meeting.

## **Notices**

### **CANADA**

At least 21 days prior to the meeting date, the Company is required to mail a notice of the shareholder meeting and a management information circular to all registered shareholders and the beneficial owners who have requested to receive a copy and who hold Shares as at the record date.

### **SWEDEN**

Under the Swedish Companies Act, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders must be given no sooner than six weeks and no later than four weeks before the date of the meeting. In general, notice of extraordinary general meetings must be given no sooner than six weeks and no later than three weeks before the meeting. The notice shall be announced in a press release, published in the Swedish Official Gazette and on the company's website. The company must also publish in a daily newspaper with nationwide circulation a short form message containing information regarding the notice and where it can be found. The notice shall include an agenda listing each item that the meeting is to resolve upon.

Pursuant to the Swedish corporate governance code, a company shall, as soon as the time and venue of a general meeting have been decided publish such information on the company's website. With respect to annual general meetings, such publication shall be made no later than in conjunction with the third quarterly report.

## **Record date**

### **CANADA**

The record date for voting or to receive notification of a meeting of shareholders is set by the Board. The Company is required to file on SEDAR a notice of record date and meeting date at least 25 days before the record date for the meeting. Under the CBCA, the record date must not be less than 21 days and not more than 60 days before the date of the meeting. Under Canadian securities laws, the record date for notice of the meeting shall be no fewer than 30 days and no more than 60 days before the meeting date.

### **SWEDEN**

Under the Swedish Companies Act the record date for a general meeting is the fifth work day (*i.e.* not a holiday) prior to the date of the meeting.

# Issue of Shares

## CANADA

Under the TSX regulations, shareholder approval is required in those instances where the number of securities issued or issuable exceeds 25 per cent of the number of securities of the issuer which are outstanding, on a non-diluted basis.

Under the CBCA:

- (1) subject to the Company's articles and by-laws, shares may be issued at such times and to such persons and for such consideration as the directors may determine;
- (2) shares issued by a corporation are non-assessable, and the holders are not liable to the corporation or to its creditors in respect thereof; and
- (3) a share shall not be issued until the consideration for the share is fully paid in money or in property or past services that are not less in value than the fair equivalent of the money that the company would have received if the share had been issued for money.

## SWEDEN

Under the Swedish Companies Act, resolutions on new share issues are as a main rule passed by the shareholders at a general meeting. A general meeting may also authorize the board of directors to issue new shares for period no longer than until the next annual general meeting. Furthermore, the board of directors may also resolve to issue new shares without such authorization, provided that the resolution is conditioned upon the shareholders' approval at a general meeting.

New shares may be issued against payment in cash, in kind or by way of set-off.

When issuing new shares the limitations on maximum number of shares and share capital set out in the company's articles of association need to be adhered to, unless a general meeting decides to amend the articles.

# Pre-emption rights

## CANADA

The articles of continuance of NGEx Resources do not contain any pre-emption rights.

## SWEDEN

Under the Swedish Companies Act, shareholders have pre-emption rights (*Sw. företrädesrätt*) to subscribe for new shares issued in proportion to their shareholdings as of a certain record date for the new share issue. Pre-emption rights to subscribe for new shares do not apply in respect of shares issued for consideration in kind or shares issued pursuant to convertibles or warrants previously granted by the company. The pre-emption rights to subscribe for new shares may also be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue. The corresponding majority threshold applies to a decision by a general meeting to authorize the board to decide upon new share issues with deviation from shareholders' pre-emption rights.

## **Dividends**

### **CANADA**

Under the CBCA, a corporation may pay a dividend in money or property or by issuing fully paid shares of the corporation. A corporation shall not declare or pay a dividend if there are reasonable grounds for believing that: (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

### **SWEDEN**

Under the Swedish Companies Act, payments of dividends require a shareholder resolution at a general meeting. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividend, there is sufficient coverage for the company's restricted equity and the payment of dividends is justified, taking into consideration the equity required for the type of operations, the company's need for consolidation and liquidity as well as the company's financial position in general. Each shareholder appearing in share register as of the record date for the dividend is entitled to receive the dividend distribution. Dividends are normally distributed to the shareholders through Euroclear.

## **Distribution of assets on liquidation**

### **CANADA**

Under the CBCA, a company may apply to the court to supervise a voluntary liquidation. After the final accounts have been approved by the court, the liquidator will distribute any remaining property of the corporation, after the discharge of its obligations, among the shareholders according to their respective rights.

### **SWEDEN**

Under the Swedish Companies Act, a company can enter into voluntary liquidation following a resolution by simple majority vote among the shareholders at a general meeting. All shares carry equal rights in a liquidation unless otherwise provided for in articles of association.

The Swedish Companies Act also stipulates that a company shall enter into compulsory liquidation in a capital deficiency situation and in certain other situations.

## **Certain extraordinary corporate actions**

### **CANADA**

Under the CBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, and sales, leases or exchanges of all or substantially all of the property of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations, dissolutions and (if ordered by a court) arrangements, are required to be approved by special resolution. A special resolution is a resolution passed at a meeting by not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. In certain cases, a special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a separate class or series of shares.

## **SWEDEN**

Under the Swedish Companies Act, a statutory merger requires a shareholder resolution passed at a general meeting. The majority requirements for a valid resolution depends on the type of companies involved, however not less than two-thirds of the votes cast and the shares represented at the meeting. A voluntary liquidation requires a resolution passed at a shareholders meeting supported by more than half of the votes cast, unless otherwise provided in the articles of association of the company. A material change of the operations conducted by the company may require a change of the company's objects and purposes in the articles of association, see Section "Amendment to the articles or the by-laws" below.

## **Restrictions on change of control**

### **CANADA**

The Company does not have any shareholder rights plans in effect.

### **SWEDEN**

Not applicable for Swedish companies with shares listed on a regulated market.

## **Mandatory takeover bids/ squeeze-out rules**

### **CANADA**

The CBCA contains the procedural requirements for going-private transactions and Canadian securities laws govern take-over bids. Under the CBCA, if a take-over bid is accepted by more than ninety per cent of the shares of any class of shares to which the take-over bid relates (within 120 days after the date of a take-over bid), other than shares held at the date of the take-over bid by or on behalf of the offeror or an affiliate, or associate of the offeror, the offeror is entitled to acquire the shares held by any dissenting offerees.

If the acquiring company elects to proceed by way of take-over bid but fails to acquire the requisite percentage of the shares to permit a force-out of the minority, the company may elect to squeeze out the minority through an amalgamation process.

### **SWEDEN**

Under Swedish law an obligation to launch a mandatory take-over bid applies when a party becomes the owner of 30 percent or more of the votes in a company with shares listed on a regulated market.

Under the Swedish Companies Act, a shareholder holding more than 90 percent of the shares in a company is entitled, on a compulsory basis, to buy-out the remaining shares from the other shareholders in the company. On the other hand, a minority shareholder is also, in such situation, entitled to demand that the majority shareholder purchases his or her shares.

## **Redemption provisions**

### **CANADA**

Under the CBCA, a corporation may liquidate and dissolve by special resolution of the shareholders or, where the corporation has issued more than one class of shares, by special resolutions of the holders of each class whether or not they are otherwise entitled to vote.

After giving the appropriate notice and adequately providing for the payment or discharge of all its obligations, the Company will distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Subject to the conditions in the CBCA and a corporation's articles, a corporation may purchase or otherwise acquire shares issued by it. A corporation shall not make any payment to purchase or otherwise acquire shares issued by it if there are reasonable grounds for believing that (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would after the payment be less than the aggregate of its liabilities and stated capital of all classes. Notwithstanding this fact, a corporation may purchase or otherwise acquire shares issued by it to, among other things, satisfy the claim of a shareholder who dissents.

Notwithstanding this, but subject to a corporation's articles, a corporation may purchase or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof stated in the articles or calculated according to a formula stated in the articles. A corporation shall not make any payment to purchase or redeem any redeemable shares issued by it if there are reasonable grounds for believing that (a) the corporation is, or would after the payment be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would after the payment be less than the aggregate of (i) its liabilities, and (ii) the amount that would be required to pay the holders of shares that have a right to be paid, on a redemption or in a liquidation, rateably with or before the holders of the shares to be purchased or redeemed, to the extent that the amount has not been included in its liabilities.

A listed company on the TSX can file a Notice of Intention to Make a Normal Course Issuer Bid with the TSX seeking approval for the company to purchase by normal market purchases its listed securities where the purchases do not, when aggregated with all other purchases by the listed issuer during the same trading day, aggregate more than the greater of: (i) 25 per cent of the average daily trading volume of the listed securities of that class; and (ii) 1,000 securities; and (b) over a 12-month period, commencing on the date specified in the notice of the normal course issuer bid, do not exceed the greater of (i) 10 per cent of the public float on the date of acceptance of the notice of normal course issuer bid by TSX, or (ii) 5 per cent of such class of securities issued and outstanding on the date of acceptance of the notice of normal course issuer bid by TSX, excluding any securities held by or on behalf of the listed issuer on the date of acceptance of the notice of normal course issuer bid by TSX.

## **SWEDEN**

Under the Swedish Companies Act, a company with shares listed on a regulated market is permitted to repurchase a maximum of ten percent of all outstanding shares in the company. A resolution to repurchase shares must be taken either by a qualified majority vote among the shareholders at a general meeting or, following authorization from the general meeting with same majority vote, by the board of directors.

A general meeting may also resolve upon the redemption of the company's shares through which the share capital of the company will be reduced. This is a more formal and complex process, which as a main rule involves also notice to the company's creditors.

## **Amendments to the articles or by-laws**

### **CANADA**

Under the CBCA, any amendment to the articles generally requires approval by special resolution, which is a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in

respect of that resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. The CBCA provides that unless the articles or by-laws, or a unanimous shareholder agreement, otherwise provide, the directors may, by resolution, make, amend or repeal any by-laws that regulate the business or affairs of a corporation. Where the directors make, amend or repeal a by-law, they are required under the CBCA to submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the by-law, amendment or repeal by an ordinary resolution, which is a resolution passed by a majority of the votes cast by shareholders entitled to vote on the resolution.

## **SWEDEN**

Under the Swedish Companies Act, an amendment of the articles of association requires a shareholder resolution at a general meeting. The majority requirement for a valid resolution depends on the type of alteration. However, not less than two-thirds of the votes cast and of the shares represented at the meeting will be required. The board of directors is not allowed to make amendments to the articles of association. Any amendment to the articles will have to be registered with the Swedish Companies Registration Office.

# **Directors and the board of directors**

## **NUMBER OF DIRECTORS**

### ***Canada***

Under the CBCA, a distributing corporation must have no fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates and at least 25 per cent of the directors must be resident Canadians. However, if a corporation has less than four directors, at least one director must be resident Canadian. The directors are elected at the annual meeting of NGE Resources shareholders for a term expiring at the end of the next annual meeting. Under the CBCA, the directors may also, if the articles so provide, appoint one or more additional directors, who shall also hold office for a term expiring at the end of the next annual meeting, provided that the total number of directors so elected shall not exceed one third of the number of directors elected at the previous annual meeting.

The Articles of Continuance of the Company provide that the Company shall have a minimum of one and a maximum of ten directors, and that the number of directors may be determined from time to time by resolution of the Board.

### ***Sweden***

Under the Swedish Companies Act, a public company shall have a board of directors consisting of at least three board members and the chairman of the board may not be the managing director of the company. More than half of the directors shall be resident within the European Economic Area (unless otherwise approved by the Swedish Companies Registration Office). The actual number of board members shall be determined by a shareholders' meeting, within the limits set out in the company's articles of association.

Under the Swedish corporate governance code, not more than one director may also be a senior executive of the relevant company or a subsidiary. In addition, a majority of board members shall be independent of the company and its management and two of these members shall also be independent of major shareholders in the company.



## **NOMINATION, APPOINTMENT AND REMOVAL OF DIRECTORS**

### ***Canada***

Under the CBCA, the shareholders of a corporation may remove any director or directors from office by an ordinary resolution which is passed by a majority of the votes cast by the shareholders entitled to vote on the resolution. However, there are a couple of exceptions. Where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more of the directors such that a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series. In addition, where the articles provide for cumulative voting, a director may not be removed if the number of votes cast in favor of his removal is greater than the product of the number of directors required by the articles and the number of votes cast against the motion.

### ***Sweden***

Under Swedish law, the board of directors shall, except for any employee representatives, be elected by the annual general meeting of shareholders, unless the articles of association provide otherwise. The members of the board of directors are usually elected for the period until the end of the next annual general meeting of shareholders, unless a longer term of up to four financial years is set out in the articles of association. It is possible for a board member to be re-elected for a new term of office.

Companies to which the Swedish corporate governance code applies shall have a nomination committee. In addition to nominating directors, the nomination committee shall nominate the chairman of the board of directors and the auditors and shall also propose fees to each director and to the auditors. The nomination committee's proposals are to be presented in the notice of the general meeting and on the company's website. At the same time, the nomination committee is to issue a statement on the company's website explaining its proposals and providing more information about the candidates proposed for election or re-election.

Under the Swedish corporate governance code, the annual general meeting of shareholders shall either appoint the members of a nomination committee or pass a resolution specifying how the members are to be appointed. The nomination committee shall have at least three members, the majority of which shall be independent of the company and its management. One of the independent members shall also be independent of the company. One of the independent members shall also be independent of the largest shareholder. The chief executive officer and other senior executives may not be members of the nomination committee.

### ***Majority Voting Policy***

The Board has adopted a majority voting policy that provides that each director of the Company must, subject to certain provisions, be elected by the vote of a majority of the Shares, represented in person or by proxy, at any meeting for the election of directors.

Pursuant to the majority voting policy, each director must, subject to the provisions below, be elected by the vote of a majority of the Shares, represented in person or by proxy, at any meeting for the election of directors other than at contested meetings. Forms of proxy for the election of directors will permit a shareholder of the Company to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of Shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the Shares voted at the meeting in person or by proxy, a greater number of Shares withheld than Shares voted in favour of his or her election, the director must immediately tender his or her resignation to the Board following the meeting to take effect upon acceptance by the Board. The Board shall accept the resignation absent exceptional circumstances,

and such resignation will be effective when accepted by the Board. To assist the Board in making a determination with regard to exceptional circumstances, the Board will refer the resignation to the Corporate Governance and Nominating Committee who will expeditiously consider whether to recommend that the Board accept such director's resignation. In making this recommendation, the Corporate Governance and Nominating Committee may consider such extenuating circumstances as it deems appropriate including without limitation circumstances relating to the composition of the Board or the voting results. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting and promptly announce that decision (and the reasons for rejecting the resignation, if applicable) by way of a news release, a copy of which shall be provided to the TSX. Any director who tenders a resignation pursuant to the policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. The majority voting policy applies only to uncontested elections, where the number of nominees as director is equal to the number of directors to be elected. If the director fails to tender his or her resignation as contemplated in the majority voting policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, and in accordance with the Company's articles and by-laws, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

#### ***Advance Notice***

On April 30, 2013, the Board approved an amendment to its by-laws as Section 4.03A ("Section 4.03A") to provide for an advance notice requirement for nominations of directors by shareholders, which amendment was ratified by shareholders at the annual and special meeting held on June 19, 2013.

Subject only to the CBCA and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the CBCA or a requisition of the shareholders made in accordance with the provisions of the CBCA, or (c) by any person (a "Nominating Shareholder") (i) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and (ii) who complies with the notice procedures set forth below in Section 4.03A:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation at the principal executive offices of the Corporation in accordance with Section 4.03A.
- (b) To be timely, a Nominating Shareholder's notice to the corporate secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 40 nor more than 65 days prior to the date of the annual meeting of shareholders, provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the

annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this paragraph (b). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

- (c) To be in proper written form, a Nominating Shareholder's notice to the corporate secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the person, (B) the principal occupation(s) or employment(s) of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of Section 4.03A; provided, however, that nothing in this section shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the CBCA. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of Section 4.03A, (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules,

regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

- (f) Notwithstanding any other provision of By-law No. 1, notice given to the corporate secretary of the Corporation pursuant to Section 4.03A may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the corporate secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the corporate secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in Section 4.03A.

## **REMUNERATION**

### ***Canada***

According to the by-laws of the Company, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof.

The compensation package for directors is intended to provide a competitive level of remuneration reflective of the responsibilities, accountability and time commitments of the Board members. Executive officers of the Company who also act as directors of the Company do not receive any additional compensation for services rendered in such capacity, other than as paid by the Company to such executive officers in their capacity as executive officers. There is no formal policy for the granting of options to directors. Options may be granted from time to time upon the recommendation of the compensation committee. Options are granted in accordance with the Company's Plan.

### ***Sweden***

Under the Swedish Companies Act, the remuneration to the board of directors shall be determined by the annual general meeting of shareholders, specifying the amount for each director. For companies complying with the Swedish corporate governance code, the nomination committee's proposal to the annual general meeting of shareholders shall include a proposal regarding the remuneration to each member of the board.

In addition, the board of directors shall, pursuant to the Swedish corporate governance code, have a remuneration committee. The remuneration committee shall prepare the board of directors' resolutions regarding executive compensation and shall also monitor and evaluate the company's principles and levels of remuneration to the executive management, including programs for variable compensation. The code also stipulates that variable compensation paid in cash to the executive management shall be subject to predetermined limits regarding the total outcome and that the board of directors in such cases shall consider (i) to make payment conditional on the performance proving to be sustainable over time, and (ii) to introduce the right to reclaim remuneration that has

been paid on the basis of information which later proves to be manifestly misstated. Furthermore, all share and share-price related incentive schemes for the executive management shall be approved by a general meeting.

## **Powers of the board of directors**

### **CANADA**

Directors of corporations governed by the CBCA have fiduciary obligations to the corporation. Under the CBCA, the duty of care of directors requires directors of a Canadian corporation to act honestly and in good faith with a view to the best interests of the corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board is responsible for the stewardship of the business and for acting in the best interests of the Company and its shareholders. The specific duties of the Board are contained in the mandate for the Board of Directors. A copy of the mandate for the Board of Directors is attached as Schedule C to the Information Circular dated 5 May 2014.

### **SWEDEN**

Under the Swedish Companies Act, the board of directors is responsible for the organization of the company and shall monitor the financial situation of the company and the group. The board shall appoint a managing director and issue instructions to such director setting out the responsibilities of the board and managing director. The board shall also issue instructions in reporting obligations in order for the board to fulfill its duties.

The managing director is responsible for the day-to-day management of the company in accordance with law, which normally includes appointing the other senior executives. The managing director shall be resident within the European Economic Area (unless otherwise approved by the companies' registration office).

## **Right to indemnification**

### **CANADA**

Under the CBCA, a corporation may indemnify a director or officer, a former director or officer, or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity (an "Indemnifiable Person"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity. The corporation may not indemnify an individual unless (a) he or she acted honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which the individual acted as directors or officer or in a similar capacity at the corporation's request; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

A corporation may, with the approval of a court, also indemnify an Indemnifiable Person or advance him or her money in respect of derivative actions—actions by or on behalf of the corporation or entity to procure a judgment in its favor—to which such person is made a party because of the individual's associations with the corporation or other entity against all costs, charges and expenses reasonably incurred in connection with the action if the individual fulfills the conditions set out in (a) and (b) above.

The CBCA also creates a right or entitlement to indemnification, independent of contract. An Indemnifiable Person is entitled to recover costs of defending an action or proceeding brought against him or her as a result of that person's association with the corporation or other entity if the individual was not judged by the court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done, and fulfills the conditions set out in (a) and (b) above.

The CBCA also allows a corporation to advance moneys to a director, officer or other individual for the costs, charges, expenses of a proceeding mentioned above. The individual is required to repay the moneys if the individual does not fulfill the conditions noted in (a) and (b) above.

## **SWEDEN**

The Swedish Companies Act does not contain any specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. Instead, Swedish companies can have professional indemnity insurance in place for its board members and officers.

The annual general meeting of shareholders shall resolve on the discharge of the board of directors and managing director from liability. An action for damages on behalf of the company may be available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such an action may be instituted where at a general meeting of shareholders the majority, or a minority comprising the owners of at least one-tenth of all shares, has supported the proposal that such an action be instituted. The action for damages in favor of a company may also be conducted by owners (in their own name) of at least one-tenth of all shares.

## **Financial statements, auditor's reports, auditors and audit committee**

### **CANADA**

Under the CBCA, the directors of the Company must place before the shareholders at every annual meeting (a) comparative financial statements as prescribed relating separately to the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and the immediately preceding financial year; (b) the report of the auditor, if any, and (c) any further information respecting the financial position of the Company and the results of its operations required by the articles, the by-laws or any unanimous shareholder agreement.

Reporting issuers that are listed on the TSX are required to prepare and file on SEDAR its annual financial statements and annual management discussion and analysis along with the report of the auditor, if any, within 90 days of financial year-end. Reporting issuers that are listed on the TSX are required to prepare and file on SEDAR its quarterly financial statements and interim management discussion and analysis within 45 days of the end of the first, second and third financial quarter.

The Audit Committee is appointed by the Board pursuant to provisions of the CBCA and the bylaws of the Company. The primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board. The Audit Committee is a standing committee of the Board established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

## **SWEDEN**

Under the Swedish Companies Act, the annual general meeting shall adopt the balance sheet and the profit and loss statement. Further, it makes decisions in respect of the disposition of the company's profit or loss (such as payment of dividends). Swedish companies with shares listed on a regulated market are required to make their annual reports public not later than four months after the end of each financial year.

The annual report, together with the auditor's report, must be presented at the annual general meeting which according to the Swedish Companies Act is to be held within six months after the end of the financial year.

Auditors are appointed by a general meeting of shareholders, whereby a registered accounting firm may be appointed as auditor. The Swedish corporate governance code requires that the board of directors shall at least once annually meet the company's auditor without any member of the executive management present.

Companies with shares listed on a regulated market must have an audit committee, unless the assignments of such committee are carried out by the board of directors. The audit committee shall (i) monitor the company's financial reporting; (ii) monitor the efficiency of the company's internal control, internal audit and risk management; (iii) keep itself informed regarding the audit of the annual report and consolidated financial statements; (iv) review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditor provides the company with services other than auditing services; and (v) assist in the preparation of a proposal to the general meeting for a resolution regarding the election of auditors.

## **Corporate governance reports and website**

### **CANADA**

Companies listed on the TSX must provide corporate governance information in the management information circular (usually referred to as a proxy circular). The circular is distributed together with the Company's notice of annual shareholders' meeting and is filed on SEDAR. There is no requirement to include the management information circular on the Company's website, or to have the management information circular reviewed by the Company's auditors. The content of the management information circular is regulated by Canadian securities laws, and the circular must, among other things include a discussion of the Company's compliance with the Canadian corporate governance principles. Although there are no legal requirements regarding the information on the Company's website, the Company does include information useful to investors.

### **SWEDEN**

Swedish companies with shares listed on a regulated market are obliged by law to prepare an annual corporate governance report, with information about, among other things, the key elements of the internal control systems, information about major shareholders, information about the board of directors and its committees and any mandates for the board of directors to issue new shares or acquire treasury shares.

The Swedish corporate governance code requires that the company states which rules of the Swedish corporate governance code it has not complied with and to explain the reasons for each case of non-compliance, and describe the solution it has adopted instead. The company must also have a section on its website devoted to corporate governance matters, where the company's three most recent corporate governance reports are to be posted, together with, among other things, the articles of association, information about upcoming shareholders' meetings and minutes from general meetings held during the past three years.

# Shareholder remedies and special audit rights

## CANADA

The most common shareholder remedies under the CBCA are the oppression remedy, derivative actions, dissent rights and court-appointed inspections.

### *Oppression Remedy*

A "complainant" has the right to apply to a court for an order, and if the court is satisfied that in respect of a corporation or any of its affiliates (a) any act or omission of the corporation or any of its affiliates effects a result, (b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or (c) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, the court may make an order to rectify the matters complained of. A "complainant" means (a) a registered holder or beneficial owner, and a former registered holder or beneficial owner, of a security of a corporation or any of its affiliates, (b) a director or an officer or a former director or officer of a corporation or any of its affiliates, (c) the Director under the CBCA, or (d) any other person who, in the discretion of a court, is a proper person to make an application.

In connection with such an application, the court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing, an order: restraining the conduct complained of; appointing a receiver or receiver-manager; to regulate a corporation's affairs by amending the articles or by-laws or creating or amending a unanimous shareholder agreement; directing an issue or exchange of securities; appointing directors in place of or in addition to all or any of the directors then in office; directing a corporation, or any other person, to purchase securities of a security holder; directing a corporation, or any other person, to pay a security holder any part of the monies that the security holder paid for securities; varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract; requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements or an accounting in such other form as the court may determine; compensating an aggrieved person; directing rectification of the registers or other records of a corporation; liquidating and dissolving the corporation; directing an investigation to be made; and requiring the trial of any issue.

### *Derivative Actions*

A complainant may apply to a court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such corporation is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation. In connection with an action brought or intervened in, the court may at any time make any order it thinks fit including, without limiting the generality of the foregoing, an order: authorizing the complainant or any other person to control the conduct of the action; giving directions for the conduct of the action; r directing that any amount adjudged payable by a defendant in the action shall be paid, in whole or in part, directly to former and present security holders of the corporation or its subsidiary instead of to the corporation or its subsidiary; and requiring the corporation or its subsidiary to pay reasonable legal fees incurred by the complainant in connection with the action.

### *Dissent Rights*

In certain circumstances, shareholders of a CBCA company are entitled to dissent from some fundamental action undertaken by the company and demand to be paid fair value for their shares. Examples of these circumstances include amalgamations, a sale of all or substantially all of the company's assets, or a resolution to alter the articles of the company to add, change or remove any restriction on the business or businesses that the corporation may



carry on. Procedures for dissenting are complex and failure to strictly comply with the procedures may result in the loss of all dissent rights. If the procedures are followed, the dissenter's shares must then be purchased by the corporation at fair market value. In the event that the parties cannot agree on what constitutes fair market value either the corporation or the dissenter can apply to court to determine the appropriate fair market value.

### ***Inspections***

A security holder or the Director under the CBCA may apply to a court for an order directing an investigation to be made of the corporation and any of its affiliated corporations. If, on an application, it appears to the court that (a) the business of the corporation or any of its affiliates is or has been carried on with intent to defraud any person, (b) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted, or the powers of the directors are or have been exercised in a manner that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of a security holder, (c) the corporation or any of its affiliates was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose, or (d) persons concerned with the formation, business or affairs of the corporation or any of its affiliates have in connection therewith acted fraudulently or dishonestly, the court may order an investigation to be made of the corporation and any of its affiliated corporations. In connection with an investigation, the court may make any order it thinks fit, including, without limiting the generality of the foregoing, an order to investigate and an order appointing an inspector. The powers of the inspector will be set out in the enabling court order, including authorizing an inspector to enter any premises in which the court is satisfied there might be relevant information, to examine any thing and make copies of any document or record found on the premises, requiring any person to produce documents or records to the inspector and requiring an inspector to make an interim or final report to the court.

## **SWEDEN**

### ***Special examination***

Under the Swedish Companies Act, a shareholder may submit a proposal for an examination through a special examiner. The proposal shall be submitted to an annual general meeting, or to any general meeting for which the matter is included in the notice to attend the general meeting. The scope of the examination shall be defined in the proposal, and may relate to the company's management and accounts during a specific period of time in the past, or certain measures or circumstances within the company. If the proposal is supported by owners of at least one-tenth of all shares, or at least one-third of the shares represented at the general meeting, the Swedish Companies Registration Office shall appoint one or more examiners. The Swedish Companies Registration Office shall give the company's board of directors the opportunity to submit its comments prior to the appointment of a special examiner. The examiner shall submit a report regarding the examination, which shall be made available to the shareholders and presented at the general meeting. Persons who are no longer shareholders, but who were included in the voting register prepared for the general meeting at which the issue of the appointment of a special examiner was addressed, shall also have the right to read the report.

### ***Minority shareholders' auditor***

A shareholder may propose that a minority shareholders' auditor shall be appointed. The proposal shall be submitted to a general meeting at which the election of auditors is to take place, or at a general meeting where the proposal is included in the notice to attend the general meeting. The Swedish Companies Registration Office shall appoint such auditor upon the request of any shareholder, if the proposal is supported by at least one-tenth of all shares in the company, or at least one-third of the shares represented at the general meeting. The company's board of directors shall be afforded the opportunity to comment prior to the appointment of an auditor. The appointment shall relate to the period of time up to and including the next annual general meeting. The auditor shall participate in the audit together with other auditors.

## **Company's obligation to disclose changes in its share capital**

### **CANADA**

The Company is required to file a report with the TSX within ten days of the end of each month in which any change to the number of outstanding or reserved listed securities has occurred (including a reduction in such number that results from a cancellation or redemption of securities).

### **SWEDEN**

Due to the Company's listing on the NASDAQ OMX Stockholm, the Company is required, under Swedish law, to report any changes in the number of shares or votes. Such disclosure shall be made on the last trading day of the calendar month in which the increase or decrease of shares or votes occurred.

## **Distribution of information to the Canadian and Swedish markets**

The content and format of the disclosure obligations of Canadian reporting issuers is mandated under National Instrument 51-102 – *Continuous Disclosure Obligations* and other regulations under Canadian securities laws, as well as the regulations applicable to TSX-listed issuers. The Canadian Securities Administrators have implemented National Policy 51-201 – *Disclosure Standards* to provide guidance on “best disclosure” practices in order that everyone investing in securities will have equal access to information that may affect their investment decisions. Canadian securities legislation prohibits a reporting issuer from selective disclosure or informing any person or company in a special relationship with a reporting issuer, other than in the necessary course of business, of a material fact or a material change before that material information has been generally disclosed. Securities legislation also prohibits anyone in a special relationship with a reporting issuer from purchasing or selling securities of the reporting issuer with knowledge of a material fact or material change about the issuer that has not been generally disclosed.

The Company maintains a disclosure policy to ensure that communications to the investing public about the Company are (i) timely, factual and accurate and (ii) broadly disseminated in accordance with all applicable legal and regulatory requirements. The disclosure policy extends to all employees, consultants and the Board of the Company and its subsidiaries and those individuals authorized to speak on behalf of the Company or its subsidiaries.

Due to the Company's listing on the NASDAQ OMX Stockholm the Company will be subject to the rules on disclosure of the NASDAQ OMX Stockholm Rulebook for Issuers. Financial reports and press releases will be published on the Company's website at [www.ngexresources.com](http://www.ngexresources.com) and by its news distributors. Financial reports and press releases are also filed on SEDAR at [www.sedar.com](http://www.sedar.com). The information will be in English only.

## **Swedish insider reporting rules**

In addition to any reporting requirements under applicable Canadian laws, persons holding an insider position (Sw. insynställning) in NGEx are, by reason of its listing on the NASDAQ OMX Stockholm, be required to report their holdings of Shares and other financial instruments to the Swedish Financial Supervisory Authority (the “**SFSA**”). Such reporting shall be made in accordance with the Swedish Act on Reporting Obligations for Certain Holdings of Financial Instruments (SFS 2000:1087). These reports are publicly available on the SFSA's website [www.fi.se](http://www.fi.se). In

addition, the same act stipulates a trading ban for the chief executive officer, the deputy chief executive officer(s), the members and deputy members of the Board, and the external auditor and deputy auditor of the Company during the thirty days preceding the publication of the Company's ordinary quarterly interim reports (including the day of publication).

Furthermore, by reason of its listing on the NASDAQ OMX Stockholm, the Company must publish information on any acquisitions or transfers resulting in the portion of the Shares or votes in the Company held by the Company itself reaching, exceeding or falling below 5, 10, 15, 20, 25, 30, 50,  $66\frac{2}{3}$ , or 90 percent of the aggregate number of Shares or voting rights in the Company. The Company is also subject to additional disclosure rules of NASDAQ OMX Stockholm.