



## NASDAQ CORPORATE GOVERNANCE STATEMENT

The Company's common shares are listed on the Nasdaq Capital Market. Rule 5615(a)(3) of the Nasdaq Listing Rules permits foreign private issuers to follow home country practices in lieu of certain provisions of the Nasdaq Listing Rules. A foreign private issuer that follows home country practices in lieu of certain provisions of the Nasdaq Listing Rules must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies either on its website or in the annual report that it distributes to shareholders in the United States. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to Nasdaq listing standards is provided below.

- Rule 5605(b)(1) of the Nasdaq Listing Rules requires that the Company's board of directors be composed of a majority of Independent Directors, as defined in Rule 5605(a)(2). The Company has elected to follow the requirements of the TSX Venture Exchange ("TSXV") to have at least two Independent Directors within the meaning of National Instrument 52-110 – *Audit Committees* and we have an audit committee that is comprised entirely of Independent Directors.
- *Shareholder Meeting Quorum Requirement*: Rule 5620(c) of the Nasdaq Listing Rules requires that the quorum for meetings of shareholders of a listed company be not less than 33 1/3% of the issued and outstanding shares entitled to vote at a meeting of shareholders. The Company's articles provide that a quorum for the transaction of business at a shareholder meeting is two people who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the outstanding shares of the Company carrying voting rights at the meeting. The Company's practices regarding the quorum requirement for meetings of shareholders are not prohibited by Canadian law.
- Rule 5620(b) of the Nasdaq Listing Rules provides a requirement to solicit and provide proxy statements for all meetings of the shareholders and provide copies of such proxy solicitation to Nasdaq. Instead, the Company has elected to follow Canadian practices regarding proxy solicitation which is governed by National Instrument 54-101 – *Communication with Beneficial Securities of a Reporting Issuer*.
- *Shareholder Approval Requirements*: Nasdaq Stock Market Rule 5635(d) requires shareholder approval prior to certain transactions involving the sale or issuance of a company's common stock (or securities convertible into or exercisable for its common stock). The Company has elected to follow Canadian practices consistent with the requirements of the TSXV and the *Business Corporations Act* (British Columbia) ("**BCBCA**") in lieu of Rule 5635(d). This requires the Company seeking TSXV approval for all issuances of securities and compliance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The Company's practices with regard to this requirement are not prohibited by Canadian law.

Although we currently intend to comply with the Nasdaq corporate governance rules applicable other than as noted above, we may from time-to-time seek relief from Nasdaq corporate governance requirements on specific transactions under Section 5615(a)(3) of the Nasdaq Listing Rules, in which case, the Company intends to make the disclosure of such transactions available on its website at <https://greenpowermotor.com>.