RETURN ENERGY INC.

Form 51-102F6
STATEMENT OF EXECUTIVE COMPENSATION
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

Set out below is the Statement of Executive Compensation for Return Energy Inc. (the “Corporation”) for the financial year ended December 31, 2018.

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, the Corporation is required to provide a summary of annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of the individuals who are acting in a capacity similar to a Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the three most highly compensated executive officers whose total compensation exceeds $150,000 per annum (together with the CEO and CFO, the “**Named Executive Officers**” or “**NEOs**”).

COMPENSATION DISCUSSION AND ANALYSIS

I. COMPENSATION PRINCIPLES AND OBJECTIVES

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’s compensation program is expected to encourage high quality behaviour and performance among its key employees, including its executive officers.

The objective of our executive compensation program is to attract and retain a high quality management and employee team and to motivate performance by aligning a significant portion of the compensation to enhancement in share value. Compensation is structured so as to provide each executive officer and key employee with a competitive income relative to peer companies, to create meaningful incentives for this group of employees to remain at the Corporation and to reward management for their contributions to the achievements of the Corporation on both an annual and long-term basis.

The Corporation’s executive compensation program is administered by the Corporate Governance and Compensation Committee (the “**Compensation Committee**”) of the Board of Directors (the “Board”). The Compensation Committee has the responsibility of recommending stock option grants and bonus awards to the Board in addition to negotiating the NEOs’ annual salaries or consulting fees. Additionally, one of the purposes of the Compensation Committee is to assist the Board in fulfilling its responsibilities by monitoring our compensation plans and practices and ensuring their congruence with our objectives by assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention.

The Compensation Committee has unrestricted access to the Corporation’s personnel and documents, and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities. The Compensation Committee is able to retain consultants to assist them in the determination of executive compensation decisions if they deem necessary.

In making its recommendations, the Compensation Committee reviews compensation offered to the NEOs of the Corporation to determine the competitiveness of the target compensation, while also assessing individual performance, considering both financial and non-financial objectives of the annual incentive plan.

The CEO of the Corporation is charged with recommending compensation for the other non-executive employees of the Corporation. In making such recommendations, the CEO is responsible for reviewing the compensation data compiled by management for, amongst other things, corporate performance and individual executive officer performance. In assessing corporate performance, the Corporation does not set specific objectives and targets. Rather, the Compensation Committee uses its experience and judgment in light of the Corporation's overall success in implementing its business plan. In assessing individual executive officer performance, consideration is given to factors such as level of responsibility, experience and expertise, as well as more subjective factors such as leadership and performance in such executive officer's specific role with the Corporation. Upon the receipt of the recommendations from the CEO, the Compensation Committee is responsible for reviewing the evaluation and determining whether to accept the recommendations or make any changes.

The Compensation Committee is comprised of Roy Hudson (Chair), Robb Thompson and Brad Porter. All members of the Compensation Committee are considered independent directors, as such term is defined in section 1.4 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), and all members are experienced participants in the business world who have sat on the board of directors of other companies, charities or business associations, in addition to the Board.

The Board is satisfied that there were not any identified risks arising from the Corporation's compensation plans or policies that would have had any negative or material impact on the Corporation. The Corporation does not currently have, and does not at this time consider it necessary to have, any policy in place to prohibit an executive officer or 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 equity securities granted as compensation or held, directly or indirectly, by the executive officer or director. However, management is not aware of any named NEO or director purchasing such an instrument.

II. ELEMENTS OF THE EXECUTIVE COMPENSATION PROGRAM

The executive compensation program for our executive officers is comprised of base salary, incentive bonuses and long-term incentive compensation comprised of options to acquire Common Shares.

Base Salaries

The base salary component is intended to provide a fixed level of pay that reflects each executive officer's primary duties and responsibilities. The Compensation Committee recognizes that the Corporation's size and stage of development prohibits base salary compensation for executive officers from matching those of larger companies in the oil and gas industry and, accordingly, base salary increases will be performance driven.

Incentive Bonuses

The incentive bonus is intended to provide executive officers the opportunity to realize additional gains when performance expectations are exceeded. By placing emphasis on variable compensation, the Corporation aims to tie a portion of the total executive compensation package to increases in corporate performance and, when considered appropriate, the value of the Common Shares.

Long Term Incentive Compensation - Option-Based Awards

Options to acquire Common Shares are granted under the Corporation's stock option plan (the "**Plan**") to directors, executive officers, employees and other service providers of the Corporation and are intended to align such individual's efforts with shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Plan rewards overall corporate performance, as measured through the price of the Common Shares. In addition, the Plan enables executives to increase and maintain ownership positions in the Corporation. Individual stock options are granted by the Board on the recommendation of the Compensation Committee and the CEO.

Options are normally awarded by the Board upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional option grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation and to strengthen employee retention. In considering additional grants, the Corporation evaluates the number of options an individual has been granted, the exercise price and value of the options and the term remaining on those options.

A total of 4,900,000 stock options were granted to directors and officers during the financial year ended December 31, 2018. The Corporation took into account the options granted in prior years in determining to grant additional options in 2018. See "*Incentive Plan Awards*" for both Named Executive Officers and directors below.

Summary

The Board believes that long-term shareholder value is enhanced by executive compensation based upon corporate performance. Through the compensation program described above, a significant portion of the compensation for our executive officers is based on corporate performance, as well as industry-competitive compensation practices.

III. SUMMARY COMPENSATION TABLE

The following table sets forth all annual and long term compensation for the three most recently completed financial years for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individuals who were considered Named Executive Officers.

					Non-Equity Incentive Stock Option Plan Compensation(4) ($)				
Name and Principal Position	**Year Ended Dec 31**	**Salary ($)**	**Share-Based Awards(2) ($)**	**Option-Based Awards(3) ($)**	**Annual Compen-sation Plans**	**Long-Term Incentive Stock Option Plans**	**Pension Value(5) ($)**	**All Other Compen-sation ($)**	**Total Compen-sation ($)(6)**
Kenneth M. Tompson	2018	160,000	Nil	67,383	Nil	Nil	Nil	Nil	227,383
President and CEO	2017	121,600	Nil	44,741	Nil	Nil	Nil	Nil	166,341
(former Executive Vice President and COO)(1)(7)	2016	30,200	Nil	Nil	Nil	Nil	Nil	Nil	30,200
Lorne A. Morozoff	2018	160,000	Nil	67,383	Nil	Nil	Nil	Nil	227,383
Vice President	2017	121,600	Nil	44,741	Nil	Nil	Nil	Nil	166,341
Finance and CFO (1)	2016	30,200	Nil	Nil	Nil	Nil	Nil	Nil	30,200
Garry T. Hides	2018	160,000	Nil	67,383	Nil	Nil	Nil	Nil	227,383
Executive Vice	2017	121,600	Nil	44,741	Nil	Nil	Nil	Nil	166,341
President (former President and CEO)(1)(7)	2016	30,200	Nil	Nil	N	Nil	Nil	Nil	30,200
Jason Schoenfeld	2018	160,000	Nil	67,383	Nil	Nil	Nil	Nil	227,383
VP Engineering, Chief	2017	113,600	Nil	44,741	Nil	Nil	Nil	Nil	158,341
Operating Officer (8)	2016	20,600	Nil	Nil	Nil	Nil	Nil	Nil	20,600

Notes:

(1) From January 1, 2016 through to April 30, 2016, the NEOs agreed to a reduction in their salaries to $2,500 per month. After April 30, 2016 the employment relationship between the Corporation and each of the NEOs ended. From September 1, 2016 through December 31, 2017, consulting fees were paid to each NEO for their services.

(2) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

(3) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. In 2017, the "grant date fair value" has been determined by the Black-Scholes option pricing model using the following assumptions; risk free rate – 1. 1%, expected life – 5 years, expected volatility - 100%, expected dividend – nil and forfeiture rate - 10%. In 2018, the "grant date fair value" has been determined by the Black-Scholes option pricing model using the following assumptions; risk free rate – 1. 9%, expected life – 5 years, expected volatility - 100%, expected dividend – nil and forfeiture rate - 10%. See discussion below.

(4) The Corporation does not currently have any non-equity long-term incentive plans. The Corporation's only non-equity incentive plan is its bonus plan. See "*Annual Incentive Bonuses*" discussion above.

(5) The Corporation does not currently have any pension plans or pension awards.

(6) NEOs who also serve as directors did not receive any additional compensation for serving as a director.

(7) Garry Hides resigned as President and CEO effective at the end of business on September 27, 2016. Garry Hides continued to provide consulting services to the Corporation and was subsequently appointed Executive Vice President on April 1, 2017. Ken Tompson was appointed President and CEO effective September 28, 2016.

(8) Jason Schoenfeld was appointed VP Engineering and Chief Operating Officer effective October 20, 2016.

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

IV. INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year. The Corporation has not granted share-based awards.

	Option-Based Awards[1]			
Name and Title	**Number of Common Shares Underlying Unexercised Option-Based Awards (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Option-Based Awards [1] ($)**
Kenneth M. Tompson	1,000,000	0.10	January 10, 2023	Nil
President and CEO (former	375,000	0.185	January 5, 2022	Nil
Executive Vice President and COO)[2]	20,000	2.30	September 2, 2019	Nil
Lorne A. Morozoff	1,000,000	0.10	January 10, 2023	Nil
Vice President Finance and	375,000	0.185	January 5, 2022	Nil
Chief Financial Officer	15,000	2.30	September 2, 2019	Nil
Garry T. Hides	1,000,000	0.10	January 10, 2023	Nil
Executive Vice President	375,000	0.185	January 5, 2022	Nil
(Former President and Chief Executive Officer)[2]	20,000	2.30	September 2, 2019	Nil

Name and Title	Option-Based Awards(1) Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-the-Money Option-Based Awards (1) ($)
Jason Schoenfeld	1,000,000	0.10	January 10, 2023	Nil
Vice President Engineering and Chief Operating Officer	375,000	0.185	January 5, 2022	Nil

Notes:

(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

(2) Garry Hides resigned as President and CEO effective at the end of business on September 27, 2016. Garry Hides continued to provide consulting services to the Corporation and was subsequently appointed Executive Vice President on April 1, 2017. Ken Tompson was appointed President and CEO effective September 28, 2016.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards – Value Vested or Earned During the Year

For each NEO, the following table sets forth: (1) the value of option-based awards which vested or were earned during the most recently completed financial year, and (2) the value of non-equity incentive plan compensation earned during the year ended December 31, 2018. The significant terms of the Plan are described under "*Particulars of Matters to be Acted Upon - Approval of the Stock Option Plan*". The Corporation has not granted any share-based awards.

Name and Title	Option-Based Awards - Value of in-the-money vested during the year(1) ($)	Non-Equity Incentive Stock Option Plan Compensation - Value Earned During the Year ($)
Kenneth M. Tompson *President and CEO (Former Executive Vice President and COO)(2)*	Nil	Nil
Lorne A. Morozoff *Vice President Finance and CFO*	Nil	Nil
Garry T. Hides *Executive Vice President (Former President and CEO)(2)*	Nil	Nil
Jason Schoenfeld *VP Engineering, Chief Operating Officer*	Nil	Nil

Notes:

(1) Total dollar value of the Common Shares that would have been realized if the options had been exercised on the vesting date and calculated on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options.

(2) Garry Hides resigned as President and CEO effective at the end of business on September 27, 2016. Garry Hides continued to provide consulting services to the Corporation and was subsequently appointed Executive Vice President on April 1, 2017. Ken Tompson was appointed President and CEO effective September 28, 2016.

Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following, or in connection with retirement.

V. TERMINATION AND CHANGE OF CONTROL BENEFITS

Each of the Named Executive Officers has entered into an employment agreement with the Corporation effective January 1, 2018, which provide for payments upon certain termination events. In the event that: (a) the NEO's employment is terminated at any time, without cause, (b) within 12 months of a Change of Control (as defined below), the NEO is not employed at a level of responsibility at least commensurate with the NEO's level of responsibility immediately prior to the Change of Control, and the NEO elects to treat such event as a termination of his employment, or (c) the NEO is constructively dismissed (as defined in the employment agreements), the NEO will be entitled to a lump sum payment (the "**Termination Payment**") equal to (i) any unpaid salary to the termination date, (ii) all reasonable expenses incurred by the NEO, but not yet reimbursed, prior to the termination date, (iii) a lump sum payment equal to 18 months of salary, (iv) any accrued vacation as at the termination date, and (v) any declared and unpaid annual bonus owing to the NEO at the termination date.

In the event that the NEO's employment is terminated by virtue of items (a), (b) or (c) above, the NEO must execute a release, indemnity and settlement agreement in favour of the Corporation as of the termination date, which includes a non-disparagement provision and standard confidentiality terms. In addition, the NEO will be subject to a one-year non-solicitation period commencing on the termination date.

The NEOs would be entitled to the following Termination Payments (assuming no unpaid salary was outstanding, no expenses outstanding and entitled to be reimbursed, no accrued vacation and no declared but unpaid bonuses): Kenneth M. Tompson - $240,000, Lorne A. Morozoff - $240,000, Garry T. Hides - $240,000 and Jason Schoenfeld - $240,000.

For the purposes of the employment agreements, "***Change of Control***" means any occurrence of one or more of the following: (i) individuals who on the effective date constitute the Board cease for any reason to constitute at least a majority of the Board; (ii) the sale of all or substantially all of the assets of the Corporation; (iii) the acquisition by any person or any persons acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)), whether directly or indirectly, of then outstanding securities eligible to vote for the election of the Board (the "**Voting Shares**") or other securities of the Corporation having rights of purchase, conversion or exchange into Voting Shares (the "**Employer Voting Securities**") which together with Employer Voting Securities then held by such person or persons exceeds 50% of the issued and outstanding Voting Shares of the Employer, (assuming the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Voting Shares to which such person or persons would be entitled); however, the event described in this definition shall not be deemed to be a Change in Control by virtue of any of the following acquisitions: (A) by the Corporation, (B) by any employee benefit or incentive plan (or related trust) sponsored or maintained by the Corporation or any affiliate or subsidiary, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) by a party holding 20% or more of the Employer Voting Securities as at the effective date, (E) pursuant to the conversion of convertible securities of the Corporation outstanding as of the effective date, or (F) by a government, political subdivision, agency or instrumentality of a government as a result of the Corporation's insolvency, mandated bailout or capitalization resulting in a permanent or temporary holding of shares or other form of control in the Corporation by a government or regulator or other government agency; or (iv) the amalgamation, arrangement, merger or other consolidation of the Corporation with or into any one or more other corporations or other business vehicles under which a person or the Corporation or combination of persons or corporations thereafter hold, whether directly or indirectly, a greater number of Voting Shares or other securities of the successor or continuing corporation having rights of purchase, conversion or exchange into Voting Shares of the successor or continuing corporation or other business vehicle (assuming the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Voting Shares to which such person or persons would be entitled) than the number of Voting Shares of the successor or continuing corporation or other business vehicle held directly and indirectly by former shareholders of the Corporation.

VIII. OTHER COMPENSATION

Other than as set forth herein, the Corporation did not pay any other compensation to NEOs (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the financial year ended December 31, 2018, other than benefits and perquisites which did not amount to $10,000 or greater per individual.

STATEMENT OF DIRECTOR COMPENSATION

At December 31, 2018, the Corporation had five directors, two of whom were also Named Executive Officers. Ken Tompson is the President and CEO and Garry Hides is the Executive Vice President.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity. For a description of the compensation paid to the NEOs of the Corporation who also act as directors of the Corporation, see "*Executive Compensation*" above.

Director compensation is determined by the Board of Directors.

I. DIRECTOR COMPENSATION TABLE

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2018.

SUMMARY COMPENSATION TABLE

Name	Fees Earned ($)	Share-Based Awards[(1)] ($)	Option-Based Awards[(2)] ($)	Non-Equity Incentive Plan Compensation[(1)] ($)	Pension Value[(1)] ($)	All Other Compensation ($)	Total ($)
Roy H. Hudson[(3)]	10,000	Nil	20,215	Nil	Nil	Nil	30,215
Robb D. Thompson	15,000	Nil	20,215	Nil	Nil	Nil	35,215
Bradley B. Porter	10,000	Nil	20,215	Nil	Nil	Nil	30,215

Notes:

(1) The Corporation does not have any share-based awards, non-equity incentive plans or pension plans for Outside Directors.

(2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The fair value of the options is calculated using the Black-Scholes option-pricing model. See narrative discussion below.

(3) Mr. Hudson is a Partner of DLA Piper (Canada) LLP, a law firm which receives fees for the provision of legal services to the Corporation. The Compensation Committee has reviewed and considered this relationship and determined that it does not interfere with the exercise of Mr. Hudson's independent judgement in his role as a member of the Board.

The NEOs of the Corporation who also act as directors of the Corporation did not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such NEO in their capacity as executive officers. See "*Executive Compensation – Summary Compensation Table*".

II. DIRECTOR INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all option-based awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year. The Corporation has not granted any share-based awards.

	Option-Based Awards(1)			
Name	**Number of Common Shares Underlying Unexercised Option-Based Awards (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-Money Option-Based Awards (1) ($)**
Roy H. Hudson	300,000	0.10	January 10, 2023	Nil
	125,000	0.185	January 22, 2022	Nil
	15,000	2.30	September 2, 2019	Nil
Robb D. Thompson	300,000	0.10	January 10, 2023	Nil
	125,000	0.185	January 22, 2022	Nil
	20,000	2.30	September 2, 2019	Nil
Bradley B. Porter	300,000	0.10	January 10, 2023	Nil
	125,000	0.185	January 22, 2022	Nil
	15,000	2.30	September 2, 2019	Nil

Note:
(1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

None of the awards disclosed in the table above have been transferred at other than fair market value. See "*Particulars of Matters to Be Acted Upon - Approval of the Stock Option Plan*" below for further information regarding the terms of the Plan.

Incentive Plan Awards – Value Vested or Earned During the Year

For each Outside Director, the following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Outside Director. The Corporation has not granted share-based awards.

Name	**Option-Based Awards - Value of in-the-money vested during the year(1) ($)**	**Non-Equity Incentive Stock Option Plan Compensation - Value Earned During the Year ($)**
Roy H. Hudson	Nil	Nil
Robb D. Thompson	Nil	Nil
Bradley B. Porter	Nil	Nil

Note:
(1) Total dollar value of the Common Shares that would have been realized if the options had been exercised on the vesting date and calculated on the difference between the market price of the Common Shares on the vesting date and the exercise price of the options.

III. OTHER COMPENSATION

Other than as set forth herein, the Corporation did not pay any other compensation to directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the financial year ended December 31, 2018.

Roy Hudson, a director of the Corporation, is presently a partner with the law firm of DLA Piper (Canada) LLP, legal counsel to the Corporation. During the financial year ended December 31, 2018, DLA Piper (Canada) LLP received approximately $14,000 for fees in consideration of legal services provided to the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)[(1)]
Equity compensation plans approved by Shareholders	7,100,000 Common Shares	$0.16	3,955,165 Common Shares
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
Total	7,100,000 Common Shares	$0.16	3,955,165 Common Shares

Note:

(1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. At the end of the Corporation's most recently completed financial year, the Corporation had 110,551,648 Common Shares issued and outstanding.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.