SOLARBANK CORPORATION

STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

April 8, 2024

NASDAQ STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

SolarBank Corporation ("SolarBank" or the "Company") is a corporation formed under the laws of Ontario, Canada. As a "foreign private issuer" under the U.S. Securities Exchange Act of 1934, as amended, SolarBank is permitted, pursuant to Nasdaq Stock Market Rule 5615(a)(3), to follow its home country practice in lieu of certain Nasdaq corporate governance standards provided SolarBank discloses and describes the differences between its corporate governance practices and those required by Nasdaq. Below we describe the significant ways in which our corporate governances practices differ from the Nasdaq Stock Market Rules. References below to a "Rule" below are references to the referenced rule in the Nasdaq Stock Market Rules.

Majority Independent Board of Directors	Rule 5605(b)(1) requires that a majority of the board of directors must be comprised of "Independent Directors" as defined in Rule 5605(a)(2). The Company complies with all applicable Canadian provincial securities laws and rules of the Cboe Canada Exchange ("**Cboe**"), which do not require that the majority of the board of directors of the Company be comprised of "Independent Directors" as defined in Rule 5605(a)(2). Cboe requires the Company to have a board of directors that includes at least two independent directors or, when the board of directors consists of six or more members, must be composed of at least one-third independent directors. Cboe defines an independent director as a director who is independent in accordance with applicable provincial securities laws.
Shareholder Meeting Quorum Requirement	The Company does not follow Rule 5620(c) which requires that the minimum quorum for a meeting of shareholders be no less than 33 1/3% of the outstanding common shares. Cboe requires that quorum for shareholder meetings comply with corporate and securities laws applicable to the company. SolarBank is governed by the *Business Corporations Act* (Ontario) (the "OBCA") which provides that, unless otherwise stated in its bylaws, quorum for a meeting of shareholder is a majority of the shares entitled to vote at the meeting represented in person or by proxy. However, SolarBank's bylaws provide that quorum for a meeting of shareholders is at least 5% of the shares of the Company entitled to vote at the meeting.
Shareholder Approval Requirements	Rule 5635(a) requires shareholder approval prior to the issuance of securities in connection with the acquisition of the stock or assets of another company in certain circumstances, including (1) where the common stock to be issued will have voting power equal to or in excess of 20% of the voting power outstanding before the issuance, or the number of shares to be issued will be equal to or in excess of 20% of the number of shares outstanding before the issuance; and

(2) if any director, officer or substantial shareholder of the Company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the company or assets to be acquired or in the consideration to be paid, and the present or potential issuance of securities could result in an increase in outstanding common shares or voting power of 5% or more.

The Company complies with the applicable requirements of the Cboe which requires shareholder approval for an acquisition where the number of securities issuable on a fully diluted basis is more than 25% of the total number of securities or votes. Further, Cboe rules require shareholder approval where the number of securities issued or issuable to persons related to the Company for the acquisition, together with any other acquisitions over the preceding six months, is more than 10% of the total number of securities of the Company outstanding.

Rule 5635(c) requires shareholder approval of most equity compensation or purchase plans or arrangements and material amendments thereto (with a few limited exceptions), and this applies whether the securities issuable pursuant to such plan or arrangement are newly issued or bought over the open market. The Company complies with the applicable requirements of the Cboe which require shareholder approval of evergreen equity compensation plans (being plans that replenish upon exercise of awards) every three years and must specifically approving unallocated entitlements under an evergreen plan. In addition, the Company complies with Cboe rules that require that the Company's board of directors (excluding directors who would receive a benefit from the amendment) may approve amendments to an equity compensation plan or award as provided by the plan. If the directors cannot approve the amendment, the amendment must be approved by the Company's shareholders (other than shareholders who would receive a benefit from the amendment). Furthermore, shareholder approval is required for any action that increases the size of the pool beyond 10% of the outstanding securities of the Company, re-prices an award benefiting a person related to the Company, extends the term of an award benefitting a person related to the Company or where the exercise price is lower than the prevailing market price, removes limits in the plan applicable to persons related to the Company, or amends the amending provision of the plan.

Executive Sessions

The Company does not follow Rule 5605(b)(2), which requires companies to have their independent directors regularly schedule

meetings at which only independent directors are present (commonly called, “executive sessions”).

In lieu Rule 5605(b)(2), the Company is subject to the requirements of applicable provincial securities laws, namely National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) issued by the Canadian Securities Administrators. NI 58-101 requires disclosure of a number of items in relation to corporate governance practices, including disclosure regarding the Company’s independent director meeting practices, in the management information circular of the Company. Under NI 58-101 the Company is required to disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, the Company must disclose the number of meetings held since the beginning of its most recently completed financial year. If the independent directors do not hold such meetings, the Company must disclose what the board does to facilitate open and candid discussion among its independent directors. NI 58-101 only requires disclosure of the above noted matters and it does not mandate any requirements for independent director meetings.

NP 58-201 sets out guidelines for corporate governance which include suggested practices in relation to independent director meetings. NP 58-201 provides guidelines only and adherence to the guidelines in NP 58-201 is not a legal requirement. The guidelines in NP 58-201 recommend that the independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. As noted above, the guidelines NP 58-201 are not mandatory.

Audit Committee Charter

Rule 5605(c)(1) requires that the formal written audit committee charter of an issuer specifies the audit committee’s responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the Company, actively engaging in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the outside auditor.

As required by applicable home country laws, the Charter of the Audit Committee of the Company provides for the Audit Committee’s

responsibility to assess the independence, qualifications and performance of the Company's auditor, appoint and replace the auditor, oversee the audit and non-audit services provided by the auditor, and approve the compensation of the auditor.

Compensation Committee Charter

The Company does not follow Rule 5605(d)(1), which requires a company certify it has adopted a formal written compensation committee charter and that the committee review and reassess the adequacy of the charter on an annual basis. Further, Rule 5606(d)(3)(D) provides that a company may only receive advice from a compensation consultant after taking into consideration certain independence and other risk factors delineated in that Rule.

As permitted by its home country laws, the Company has a single committee responsible for compensation, corporate governance, and nominating directors. The Charter of the Compensation, Corporate Governance and Nominating Committee does not require the committee to review and reassess the adequacy of the charter on annual basis; however, it does provide that the Compensation, Corporate Governance and Nominating Committee will review the Charter of each committee of the Board and make recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Company and its management and the performance of the Company's obligations to its shareholders, employees and members of the public are being effectively reviewed. In addition, the charter provides that the committee may retain and obtain advice from a compensation consultant in its sole discretion and must assess the independence of the compensation consultant but does not specify specific factors.

Nominations Committee Charter

The Company does not follow Rule 5605(e)(2), which requires a company to certify that it has adopted a formal written charter or board resolution addressing the nominations process and related matters as required under applicable United States federal securities laws.

Instead, the Company has adopted a formal written charter for its Compensation, Corporate Governance and Nominating Committee which provides for the committee's purpose and its responsibilities as to nomination and succession, among other things, as required by applicable Ontario laws and Cboe rules.

Related Party Transactions

Rule 5630 requires that a company conduct appropriate review and oversight of all related party transactions for potential conflicts of

interest situations on an ongoing basis by the company's audit committee or another independent body of the board of directors.

The Company is subject to applicable provincial law, namely Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, which imposes special requirements for related party transactions that can include formal valuations, minority shareholder approval requirements and approval of transactions by independent directors or a committee consisting solely of independent directors.