

**NEO PERFORMANCE MATERIALS INC.**  
(the "Company")

**MAJORITY VOTING POLICY**

In an uncontested election of directors of the Company, each director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting for the election of directors. Accordingly, if any nominee for an uncontested election as a director receives a greater number of votes "withheld" from his or her election than votes "in favour" of such election, that director shall promptly submit his or her resignation to the Chair of the Board of Directors ("**Board**") following the meeting, to take effect on acceptance by the Board. In this policy, an "uncontested election" means an election where the number of nominees for director equals the number of directors to be elected.

The Audit Committee or other committee designated from time to time ("**Committee**") shall consider the offer of resignation and recommend to the Board whether or not to accept it. Any director who tenders his or her resignation may not participate in the deliberations of either the Committee or the Board in respect of his or her resignation. In its deliberations, the Committee will consider any stated reasons why shareholders "withheld" votes from the election of that director, the effect such resignation may have on the Company's ability to comply with any applicable governance rules and policies and the dynamics of the Board results of the vote, and any other factors that the Committee considers relevant.

The Board shall act on the Committee's recommendation and announce its decision via press release within ninety (90) days following the applicable meeting, after considering the factors considered by the Committee and any other factors that the Board considers relevant. The Board expects to accept the resignation except in situations where exceptional circumstances would warrant the director to continue to serve on the Board. However, if the Board declines to accept the resignation, it should include in the press release the reasons for its decision. A copy of the press release shall be provided to the Toronto Stock Exchange.

If a resignation is accepted, the Board may, in accordance with the *Business Corporations Act* (Ontario) and the Company's by-laws, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board. If a director does not tender his or her resignation in accordance with this policy, the Board will not re-nominate that director at the next election.

Approved by the Board on November 7, 2017.