

NEO PERFORMANCE MATERIALS INC.
(the "Company")

WHISTLEBLOWER REPORTING AND NON-RETALIATION POLICY

A. PURPOSE

The Company Whistleblower Reporting and Non-Retaliation Policy (the "**Policy**") addresses the commitment of the Company and its subsidiaries (collectively, "**NEO**") to integrity and ethical behaviour by helping to foster and maintain an environment where employees and others can report concerns about wrongdoing or suspected wrongdoing without fear of retaliation. The purpose of this Policy is to encourage employees and others to disclose wrongdoing or suspected wrongdoing that may adversely impact NEO, NEO's shareholders, customers, employees, other stakeholders or the public. All employees are responsible for reporting wrongdoings or suspected wrongdoings, using the procedures in this Policy.

B. REPORTING BY EMPLOYEES OF WRONGDOING

Employees who become aware of any wrongdoing or suspected wrongdoing, either financial or non-financial, are encouraged to report such matters as described below. An act of wrongdoing or suspected wrongdoing may relate to (i) financial matters such as auditing, accounting or internal control issues, or (ii) non-financial matters such as a violation of the NEO's Code of Business Conduct and Ethics, a violation of NEO's Anti-Corruption / Anti-Bribery Policy or violation of any applicable law, rule or regulation involving NEO.

Any act of wrongdoing or suspected wrongdoing should be promptly reported in the following manner:

- (a) Employees are strongly encouraged to discuss any concerns first with their supervisors, managers or other senior management. Supervisors and managers are required to notify their supervisors if they receive a report of wrongdoing or suspected wrongdoing. Supervisors and managers will maintain confidentiality to the extent possible and treat the reporters with respect and escalate the reports in accordance with this Policy and procedures.
- (b) Alternatively, employees may contact the Chair of the Audit Committee or a designated member of the NEO legal department that have been designated by NEO's Board of Directors to respond to reporters and their reports.
- (c) Alternatively, NEO has established procedures by which employees may make a confidential report through a third party company, NAVEX Global®. Reports to NAVEX can also be made on an anonymous basis. Employees may call a toll-free phone line that is posted at each NEO location to make a report. The phone line is available 24 hours a day, seven days a week, 365 days a year. Additionally, employees can make a report via the internet on the following secure website: **www.neo.ethicspoint.com**. These reports are then delivered to the Corporate Secretary or the designated member of the NEO legal department, depending on the nature of the report.

C. REPORTING BY THIRD PARTIES OF WRONGDOING

Persons other than employees may submit reports or claims of wrongdoing or suspected wrongdoing to NEO by: (i) contacting a member of the Human Resources Department, a member of senior management,

the Corporate Secretary or the designated member of the NEO legal department or (ii) using the hotline and/or website as described above.

D. INVESTIGATIONS

For each reported instance of financial wrongdoing or non-financial wrongdoing, an inquiry or investigation will be undertaken by the Board and/or the Corporate Secretary or a designated member of the NEO legal department, depending on the nature of the report. A confidential file for each report or complaint will be maintained in accordance with the NEOs' record retention procedures. The Board of Directors will regularly receive reports summarizing all activity under this Policy.

Internal resources (*e.g.*, members of the NEO Human Resources or Legal Departments) as well as external resources (*e.g.*, external legal counsel, accounting or consulting services, etc.) may be utilized to assist in the investigation as deemed appropriate. Employees must cooperate fully with all investigations and comply promptly, completely and truthfully with all requests for information. Never interfere in an investigation or alter or destroy documents or records related to an internal or external investigation.

E. NO RETALIATION REGARDING REPORTS OF WRONGDOING

NEO and its employees shall not take adverse employment action against an employee in retaliation for:

- (a) any reports of actual or suspected financial wrongdoing or non-financial wrongdoing made in good faith;
- (b) providing information or causing information to be provided, directly or indirectly, in an investigation conducted by NEO or any federal, state or local regulatory agency or authority;
- (c) reports concerning the violation of any applicable law, rules or regulations, including those governing safety, health, discrimination and harassment; or
- (d) participating in an investigation, hearing, court proceeding or other administrative inquiry in connection with a report of wrongdoing.

This Policy is intended to encourage the reporting of wrongdoing or suspected wrongdoing by the NEO employees and presumes that employees will act in good faith and will not make false accusations. NEO will not punish reporters for reports that cannot be substantiated so long as the report was made in good faith. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith will be subject to discipline, which may include termination of employment.

Any claims of adverse employment action in retaliation for the reporting of financial wrongdoing or non-financial wrongdoing under this Policy, including those described above, should be submitted to a member of the Human Resources Department, a member of senior management or the Corporate Secretary for investigation. Any employee who retaliates or a supervisor or manager who supports, ignores or participates in retaliation against an employee who has reported a claim of wrongdoing in good faith is subject to discipline, including termination of employment.

F. DEFINITIONS

For purposes of this Policy, the following terms shall have the meanings set forth below:

- (a) Good Faith. Good faith is evident when the report is made without ill intent or consideration of purely personal benefit and the employee has a reasonable basis to believe that the report is true; provided, however, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious, reckless or false.
- (b) Financial Wrongdoing. Examples of financial wrongdoing include, but are not limited to, fraud, including fraud relating to audit, accounting or internal control matters, any violation of securities law, violation of any rule or regulation of the Securities and Exchange Commission and any violation of federal law relating to fraud against stockholders.
- (c) Non-Financial Wrongdoing. Examples of non-financial wrongdoing include, but are not limited to, violations of the NEO Code of Business Conduct and Ethics, NEO Anti-Corruption / Anti-Bribery Policy or other NEO policies, sexual and racial harassment, violations of state and federal employee safety and health laws and any other illegal activities.
- (d) Adverse Employment Action. Examples of adverse employment action include, but are not limited to, demotion, suspension, termination, transfer to a lesser position, denial of promotions, denial of benefits, threats, harassment or denial of compensation as a result of the employee's report of wrongdoing, or any manner of discrimination against an employee in the terms and conditions of employment because of any other lawful act undertaken by the employee pursuant to this Policy.

I. ACKNOWLEDGEMENT

Employees shall certify in writing that they have read and intend to comply with the procedures set forth in this Policy. See Annex A.

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Any questions concerning the anti-corruption and anti-bribery laws, or this policy should be addressed to the Corporate Secretary or a member of the NEO Legal Department.

This Policy may be amended from time to time.

Effective Date: November 7, 2017

ANNEX A

**ACKNOWLEDGEMENT AND CERTIFICATION OF THE
NEO PERFORMANCE MATERIALS**

WHISTLEBLOWER REPORTING AND NON-RETALIATION POLICY

I acknowledge and certify that I have:

- (a) read and understand the Neo Performance Materials Whistleblower Reporting and Non-Retaliation Policy and agree to abide by its provisions and;
- (b) properly reported any known or suspected violations of the Neo Performance Materials Whistleblower Reporting and Non-Retaliation Policy.

Signature: _____

Name (Please Print): _____

NEO Location: _____

Date: _____