

**Neo Performance Materials Inc.**

**(the "Company")**

**Mandate of the Compensation and Human Resources Committee**

As approved by the Board of Directors of the Company (the "Board") on November 7, 2017, and amended by same on May 11, 2021 and March 9, 2022.

**A. PURPOSE AND SCOPE**

The primary function of the Compensation and Human Resources Committee (the "**Committee**") of the Board is to exercise the responsibilities and duties set forth below, including but not limited to, (i) discharging the Board's responsibilities relating to the compensation of the Company's executive officers, (ii) administering the Company's incentive compensation and stock plans, and (iii) assisting the Board with respect to management succession and development. The Committee shall review and make recommendations to the Board on an annual basis regarding (i) company-wide compensation programs and practices, (ii) all aspects of the remuneration of the Company's executive officers and (iii) equity-based plans and any material amendments thereto (including increases in the number of securities available for grant as options or otherwise thereunder).

**B. COMPOSITION AND MEETINGS**

1. The Committee shall be comprised of a minimum of three members of the Board as appointed by the Board, each of whom shall meet any independence requirements of National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators, any exchange upon which securities of the Company are traded or any governmental or regulatory body exercising authority over the Company (each a "**Regulatory Body**" and collectively, the "**Regulatory Bodies**").
2. A majority of the members of the Committee shall constitute a quorum at any meeting of the Committee, but in no case shall a quorum be comprised of less than two members of the Committee, and the action of a majority of those present (or all members if only two members form the Committee), after determining a quorum, shall be the act of the Committee.
3. The members of the Committee shall be appointed by the Board at the meeting of the Board following each annual meeting of shareholders and shall serve until their successors shall be duly appointed and qualified or until their earlier death, resignation or removal. The Board may fill a vacancy in the membership of the Committee and may remove a member of the Committee at any time for any reason. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members.
4. The Board shall annually review the Committee's performance and the Committee shall undertake a self-assessment on an annual basis.
5. The Committee shall meet as necessary, but at least twice each year, to enable it to fulfill its responsibilities and duties as set forth herein. The Committee shall hold executive sessions without management present at each Committee meeting.

6. The Committee may invite members of management or others to attend Committee meetings and provide pertinent information as the Committee may request on the issues being considered, provided that the Chief Executive Officer ("CEO") and other executives may not be present during any voting or deliberations on compensation of the CEO or such other executives, respectively.
7. Meetings may be called by the Chair of the Committee or at the request of any member of the Committee or any member of the Board.
8. Ordinarily, meetings of the Committee should be convened with no less than seven days' notice having been given. In exceptional circumstances the requirement for notice may be waived subject to the formal consent of no less than the number of Committee members that constitutes a quorum of the Committee or instruction by a resolution of the Board.
9. The Committee shall report its actions to the members of the Board and the Corporate Secretary of the Company and keep written minutes of its meetings which shall be recorded and filed with the books and records of the Company. The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval. Minutes of each meeting will be made available to the members of the Board and the Corporate Secretary of the Company.

## **C. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties in the areas of Compensation and Human Resources, the Committee shall:

### *Compensation*

1. At least annually, review and make recommendations to the Board regarding corporate goals and objectives relevant to compensation of the CEO and the executive officers, evaluate the CEO's performance in light of those goals and objectives of the CEO and the executive officers and make recommendations to the Board regarding the annual salary, bonus, stock options, and other benefits, direct and indirect, of the CEO and the executive officers.
2. Review and make recommendations to the Board regarding the terms and conditions, design, approval, implementation, administration and interpretation of the Company's compensation plans, including any equity-based compensation plans, and each amendment thereof, all subject to final approval by the Board and take such actions in regard to such plans as may be required by the terms of the plan, provided that equity-based plans and material amendments to equity-based plans shall require shareholder approval as required under applicable laws, rules or regulations.
3. At least annually, review for each of the Company's compensation plans, the following:
  - (a) The participant eligibility requirements, as may be required by the terms of each plan;
  - (b) How each plan is administered and the person(s) responsible;
  - (c) The annual grants and exercise/vestings that have occurred over the year;
  - (d) The performance, as may be required under applicable laws, rules or regulations;
  - (e) The effectiveness of each plan as a tool in the recruiting, retention and motivation of talent;
  - (f) How each plan aligns with that of shareholder interests.

4. At least annually, review policies in the area of management perquisites.
5. At least annually, review and recommend any changes to the Board, of the compensation arrangements for the non-executive directors of the Board.
6. Review and discuss with management the Company's Statement of Executive Compensation, including the compensation discussion and analysis and the related executive compensation information, to be included in the Company's management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Company.
7. Periodically review and advise the Board (supported in the discretion of the Committee, by internal or external experts) on (i) current trends in regional and industry-wide compensation practices and (ii) how the Company's compensation programs and practices compare to those of comparable companies in the industry.
8. On a periodic basis, as determined necessary or advisable, retain the services of a compensation consultant. The Committee shall approve in advance any other work the consultant performs at the request of management and ensure compliance with the requirements established by Regulatory Bodies related to the retaining and using of such consultants.

*Human Resources*

9. Oversee, on an annual basis, the human resource management practices of the Company, including but not limited to:
  - (a) the management organizational structure, and the HR leadership;
  - (b) global headcount, including new hires and turnover;
  - (c) talent development and succession planning for the CEO and executive officers;
  - (d) the review of strategies and programs for identifying new talent;
  - (e) the continuing development of diversity, equal opportunity and non-discrimination practices across the Company.
10. Review, consider, and recommend to the Board (if deemed advisable) all employment, severance or change in control agreements with, and any special or supplemental benefits provided to, any executive officers or directors of the Company. The Committee will review the impact of any potential material transaction, such as a merger, acquisition, or spin-off, on the Company's compensation plans.
11. Oversee the Company's compliance with any rules promulgated by any Regulatory Body prohibiting loans to officers and directors of the Company.
12. Establish, and review annually, share ownership guidelines and individual shareholdings for the CEO, executive officers and directors of the Company as appropriate.

*General*

13. At least annually, establish a Committee work plan for a period of not less than one year.

14. Review and assess the adequacy of this Mandate periodically as conditions dictate, but at least annually, to ensure compliance with any rules or regulations promulgated by any Regulatory Body and recommend any modifications to this Mandate if and when appropriate to the Board for its approval.
15. Form and delegate authority to subcommittees where appropriate.
16. Perform such additional functions as shall be assigned to it by resolution of the Board and exercise such additional powers as may be reasonably necessary or desirable, in the Committee's discretion, to fulfill its responsibilities and duties under this Mandate.

**D. ACCESS TO MANAGEMENT AND INDEPENDENT ADVICE**

The Committee shall have unrestricted access to the Company's officers and employees. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management (collectively, "**advisors**"), at the expense of the Company, with notice to either the independent lead director of the Board or the non-executive Chair of the Board or the CEO of the Company, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate such consultants or advisors to be used to assist in the evaluation of Chair of the Board, CEO or executive officer compensation and shall have the sole authority to approve such consultant or adviser's fees and other retention terms; provided that before selecting or receiving advice from any such advisor (other than an advisor subject to an exclusion under the listing rules of any applicable exchange upon which securities of the Company are traded), the Committee must take into consideration all factors relevant to the advisor's independence from management, including any factors required by applicable law and existing exchange listing rules.