



Performance Materials

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING
OF THE SHAREHOLDERS
OF
NEO PERFORMANCE MATERIALS INC.**

- and -

MANAGEMENT INFORMATION CIRCULAR

**TO BE HELD AT
5300 COMMERCE COURT WEST, 199 BAY STREET
TORONTO, ONTARIO
CANADA**

**THURSDAY, JUNE 8, 2023
4:00 P.M. (TORONTO TIME)**

Circular dated April 25, 2023

These materials are important and require your immediate attention. They require shareholders of Neo Performance Materials Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors. If you have any questions or require more information with regard to the procedures for voting, please contact Kingsdale Advisors, our proxy solicitation agent, by phone or text at 1-800-285-8968 toll free in North America or 1-416-867-2272 outside of North America (collect calls accepted) or by email at contactus@kingsdaleadvisors.com.

NEO PERFORMANCE MATERIALS INC.
NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Neo Performance Materials Inc. (the "**Corporation**") will be held at 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, on Thursday, June 8, 2023 at 4:00 p.m. (Toronto time) for the following purposes:

1. to receive the annual report and the financial statements for the year ended December 31, 2022 and the report of the auditors thereon;
2. to elect directors;
3. to re-appoint auditors and to authorize the directors to fix their remuneration;
4. to adopt an ordinary resolution, with or without amendment, the text of which is reproduced in Appendix "B" of the Circular, approving, ratifying and confirming the Corporation's A&R Rights Plan (as defined herein); and
5. to transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

This year, as described in the notice and access notification mailed to shareholders of the Corporation, the Corporation has decided to deliver the Meeting materials to shareholders by posting the Meeting materials on the following website: www.neomaterials.com (the "**Website**"). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. The Meeting materials will be available on the Website on May 2, 2023, and will remain on the Website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com under the Corporation's issuer profile.

No shareholders will receive paper copies of the Meeting materials unless they specifically request paper copies. Instead all shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting. If you wish to receive a paper copy of the Meeting materials or have questions about notice-and-access please call the Corporation's transfer agent, Computershare Trust Company of Canada. In order to receive a paper copy in time to vote before the Meeting, your request should be received by May 25, 2023.

A form of proxy solicited by management of the Corporation in respect of the Meeting is enclosed herewith.

The Corporation strongly encourages registered shareholders and proxyholders to vote using one of the methods described in the accompanying management information circular. To facilitate shareholders attending the Meeting, the Meeting will be audio-cast live at 4:00 p.m. (Toronto time) on June 8, 2023 and can be accessed by conference call at (416) 764-8650 (Toronto local) or 1 (888) 664-6383 (North America toll free), and indicate you are dialing into the Neo Annual General & Special Shareholder Meeting. This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call.

Shareholders are requested to sign the enclosed form of proxy and return it in the envelope provided for that purpose. To be effective, the form of proxy must be received at the offices of Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1 or via internet at www.investorvote.com or by telephone at the toll-free number printed on the form of proxy **by not later than 4:00 p.m. (Toronto time) on Tuesday, June 6, 2023** or, if the Meeting is adjourned or postponed, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned or postponed Meeting, or in either case by such later date and time as the Board may determine in its sole discretion. The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting.

If you have any questions, please contact the Corporation's proxy solicitation agent, Kingsdale Advisors, by phone or text at 1-800-285-8986 toll free in North America or 1-416-867-2272 outside of North America (collect calls accepted), or by email at contactus@kingsdaleadvisors.com.

DATED this 25th day of April, 2023.

By Order of the Board

/s/ "Claire M.C. Kennedy"

Chair of the Board of Directors

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NEO PERFORMANCE MATERIALS INC. MANAGEMENT INFORMATION CIRCULAR

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting and any adjournment(s) or postponement(s) thereof.

Unless otherwise noted or the context otherwise requires, all information provided in this Information Circular is given as of April 25, 2023 and references to the "Corporation" refer to Neo Performance Materials Inc., its direct and indirect subsidiaries and other entities controlled by them. Unless otherwise indicated, all dollar amounts in this Information Circular are expressed in U.S. dollars. The word "dollar" and the symbol "\$" or "U.S.\$" refer to the U.S. dollar and the symbol "C\$" refers to the Canadian dollar.

No person is authorized to give any information or to make any representation not contained in this Information Circular, and if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

The registered office of the Corporation is located at Suite 1740, 121 King Street West, Toronto, Ontario, M5H 3T9.

Forward Looking Information

Certain statements in the Information Circular constitute "forward-looking information. The words "scheduled", "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking information.

Forward-looking information is based on estimates and assumptions made by the Corporation in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct or that the Corporation's business guidance, objectives, plans and strategic priorities will be achieved.

Many factors could cause the Corporation's actual results or affairs to materially differ from those expressed or implied by the forward-looking information, including, without limitation, the factors discussed in the "Risk Factors" section of the Corporation's Annual Information Form dated March 29, 2023 for the year ended December 31, 2022, which is

incorporated by reference in this cautionary statement. Although these factors are not intended to represent a complete list of factors that could affect the Corporation, they should be considered carefully. The forward-looking information contained in this Information Circular is made as of the date of this Information Circular, and the Corporation has no intention and undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities regulations. The forward-looking information contained in this Information Circular are expressly qualified by this cautionary statement. We caution readers not to rely on the forward-looking information contained in this Information Circular when making investment decisions regarding the Corporation's securities.

PART I GENERAL PROXY MATERIALS

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by and on behalf of the management of the Corporation of proxies to be used at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment(s) or postponement(s) thereof. The solicitation of proxies will be primarily by mail but proxies may be solicited personally or by telephone by directors, officers or regular employees of the Corporation. Kingsdale Advisors will be acting as proxy solicitation agent for the Corporation to solicit proxies for the Meeting. If you have any questions or require more information about how to vote your shares, please contact Kingsdale Advisors by phone or text at 1-800-285-8968 toll-free in North America or 1-416-867-2272 outside of North America (collect calls accepted) or by email at contactus@kingsdaleadvisors.com. In connection with its services, the Corporation will pay Kingsdale Advisors a fee of up to approximately C\$75,000, exclusive of call fees, expenses and applicable taxes. The Corporation will bear all costs of this solicitation.

ADVICE TO BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many public Shareholders as a substantial number of the public Shareholders do not hold Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation may not know for whose benefit the Common Shares registered in the name of a broker or intermediary are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically applies a decal to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with a Broadridge decal on it cannot use that proxy to vote shares directly at the Meeting. **The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Since the Corporation may not have access to the names of its non-registered Shareholders, if a Beneficial Shareholder attends the Meeting, the Corporation will have no record of the Beneficial Shareholder's shareholdings or of its entitlement to vote unless the Beneficial Shareholder's nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, a Beneficial Shareholder who wishes to vote in person at the Meeting must insert its own name in the space provided on the voting instruction form sent to the Beneficial Shareholder by its nominee, and sign and return the voting instruction form by following the signing and returning instructions provided by its nominee. By doing so, the Beneficial Shareholder will be instructing its nominee to appoint the Beneficial Shareholder as proxyholder. The Beneficial Shareholder should not otherwise complete the voting instruction form as its vote will be taken at the Meeting.

The Corporation may utilize the Broadridge QuickVote™ system, which involves NOBOs being contacted by Kingsdale, which is soliciting proxies on behalf of management of the Corporation, to obtain voting instructions over the telephone and relaying them to Broadridge (on behalf of the NOBO's intermediary). While representatives of Kingsdale are soliciting proxies on behalf of management, Shareholders are not required to vote in the manner recommended by the Board. The QuickVote™ system is intended to assist Shareholders in placing their votes, however, there is no obligation for any Shareholders to vote using the QuickVote™ system, and Shareholders may vote (or change or revoke their votes) at any other time and in any other applicable manner described in this Circular. Any voting instructions provided by a Shareholder will be recorded and such Shareholder will receive a letter from Broadridge (on behalf of the Shareholder's intermediary) as confirmation that their voting instructions have been accepted.

If you have any questions, please contact the Corporation's proxy solicitation agent, Kingsdale Advisors, by phone or text at 1-800-285-8968 toll free in North America or 1-416-867-2272 outside of North America (collect calls accepted), or by email at contactus@kingsdaleadvisors.com.

ADVICE TO REGISTERED HOLDERS

A registered holder of Common Shares can vote their Common Shares in person at the Meeting or by proxy. A registered holder who does not wish to attend the Meeting or does not wish to vote in person should submit their form of proxy. Registered holders who wish to vote in person at the Meeting are encouraged to vote by submitting a proxy. Voting by proxy will not prevent a registered holder from voting in person if they attend the Meeting and duly revoke their previously granted proxy, but will ensure that their vote is counted if they are unable to attend the Meeting.

The Common Shares represented by the accompanying form of proxy (if the same is properly executed in favour of Constantine E. Karayannopoulos or Alexander D. Caldwell, the management nominees, and is received at the offices of Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1 or via internet at www.investorvote.com or by telephone at the toll-free number printed on the form of proxy, **by not later than 4:00 p.m. (Toronto time) on Tuesday, June 6, 2023** or, if the Meeting is adjourned or postponed, not later than 48 hours, excluding Saturdays, Sundays or holidays, preceding the time of such adjourned or postponed Meeting, or in either case by such later date and time as the Board may determine in its sole discretion) will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted in accordance with the specification made. **In the absence of such a specification, such Common Shares will be voted in favour of such matter. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters set forth in the accompanying notice of Meeting, or all other business or matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other business or matters to come before the Meeting.

NOTICE AND ACCESS

This year, as described in the notice and access notification mailed to shareholders of the Corporation, the Corporation has decided to deliver the Meeting materials to shareholders by posting the Meeting materials on the following website: www.neomaterials.com (the "Website"). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing

costs. The Meeting materials will be available on the Website on May 2, 2023, and will remain on the Website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com.

No shareholders will receive paper copies of the Meeting materials unless they specifically request paper copies. Instead all shareholders will receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting. If you wish to receive a paper copy of the Meeting materials or have questions about notice-and-access please call the Corporation's transfer agent, Computershare Trust Company of Canada. In order to receive a paper copy in time to vote before the Meeting, your request should be received by May 25, 2023.

The Corporation will not send its proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101.

MEETING PARTICIPATION

The Corporation strongly encourages registered shareholders and proxyholders to vote using one of the methods described in the accompanying management information circular. To facilitate shareholders attending the Meeting, the Meeting will be audio-cast live at 4:00 p.m. (Toronto time) on June 8, 2023 and can be accessed by conference call at (416) 764-8650 (Toronto local) or 1 (888) 664-6383 (North America toll free), please indicated you are dialing into the Neo Annual General & Special Shareholder Meeting. This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call.

APPOINTMENT AND REVOCATION OF PROXIES

A shareholder has the right to appoint a person or entity (who need not be a shareholder) to attend and act for him/her on his/her behalf at the Meeting other than the persons named in the enclosed form of proxy. The persons named in the accompanying form of proxy are a director and officer of the Corporation and an officer of the Corporation, respectively. **A shareholder desiring to appoint some other person to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the accompanying form of proxy and striking out the names of the management nominees or by duly completing another proper form of proxy and, in either case, depositing the completed proxy at the offices of the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1 or via internet at www.investorvote.com or by telephone at the toll-free number printed on the form of proxy before the specified time described in the previous section.**

A Shareholder giving a proxy has the power to revoke it. Such revocation may be made by the Shareholder attending the Meeting by fully executing another form of proxy bearing a later date and duly depositing the same before the specified time, or by written instrument revoking such proxy duly executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited either at the registered office of the Corporation or its registrar and transfer agent at any time up to and including the last Business Day preceding the date of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Corporation consists of an unlimited number of preferred shares and an unlimited number of Common Shares without nominal or par value, of which 45,196,921 Common Shares were issued and outstanding as at the date of this Information Circular.

Each Shareholder is entitled to one vote for each Common Share shown as registered in his or her name on the list of Shareholders, which will be available for inspection at the Meeting. The directors have fixed April 26, 2023 as the record date for the Meeting. Accordingly, pursuant to the OBCA, only Shareholders of record as at the close of business on April 26, 2023 are entitled to receive notice of and to attend and vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, as of the date of this Information Circular, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the votes attached to Common Shares, except for the following:

Name	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held
HTM Investments(One) Pty Ltd.	8,974,127	19.86%
Mawer Investment Management Ltd.	5,148,845	11.4%

PART II MATTERS TO BE ACTED UPON

1. ELECTION OF DIRECTORS

Directors of the Corporation are elected annually by the Shareholders and will hold office until the next annual general meeting of shareholders. The Articles of the Corporation provide that the number of directors to be elected shall be a minimum of three and a maximum of 15. A Board of six directors is to be elected at the Meeting.

It is intended that the persons named in the accompanying form of proxy will vote the Common Shares represented thereby in favour of electing as directors the nominees named below. Unless such authority is withheld, the Common Shares represented by the accompanying form of proxy will be voted in favour of the nominees set out below.

The term of office of all present directors of the Corporation expires at the Meeting. Management has been informed by each nominee that he/she is willing to stand for election or re-election, as applicable, and serve as a director. Each of the directors will be elected on an individual basis. The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective parties.

In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Corporation will be voted FOR the election as directors of the nominees whose names are set forth below.

The Board has adopted a Majority Voting Policy which requires that any nominees who receive a greater number of votes withheld from his or her election than votes for such election, to promptly tender his or her resignation to the Board to be effective on the acceptance by the Board. Following receipt of the resignation, the Board will consider whether or not to accept the offer of resignation, and will do so absent exceptional circumstances. Within 90 days following the Meeting, the Board shall publicly disclose its decision whether or not to accept the applicable director's resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board at which the resignation is considered. This policy does not apply in circumstances involving contested director elections.

The following information is submitted with respect to the nominees for directors:

CLAIRE M.C. KENNEDY
Toronto, Ontario, Canada

*Chair of the Board
Chair, Corporate Governance
and Nominating Committee
Member, Audit Committee
Member, Compensation and
Human Resources Committee
Member, HESS Committee*

Director since October 2017

Independent

Shares held: 10,983

Ms. Kennedy has been a director of Neo since October 2017. Ms. Kennedy was a member of the board of directors of NEM from February 2010 to June 2012 and served on the Audit Committee. Ms. Kennedy is a lawyer and Senior Advisor, Clients and Industries in the Toronto office of Bennett Jones LLP. Ms. Kennedy is Lead Director of the Bank of Canada. She is also a director of Alamos Gold Inc., and serves as Audit Committee Chair, and is a director of Constellation Software Inc. She is also a member of the Dean's Advisory Committee at the Rotman School of Management. Ms. Kennedy was formerly Chair of the Governing Council of the University of Toronto and a director of Neo Material Technologies Inc. Ms. Kennedy holds a Bachelor of Applied Science degree in chemical engineering from the University of Toronto, a law degree from Queen's University, and has completed the University of Chicago's Booth School of Business Advanced Management Program. She was a partner of Bennett Jones LLP until July 2019 when she became Senior Advisor. She also holds the ICD.D designation from the Institute of Corporate Directors and the P.Eng. designation from Professional Engineers Ontario.

Board/Committees

Attendance

	2022	2023
• Board of Directors	7 of 7	3 of 3
• Audit Committee	4 of 4	1 of 1
• Compensation and Human Resources Committee	2 of 2	4 of 4
• HESS Committee	4 of 4	1 of 1
• Corporate Governance and Nominating Committee	1 of 1	N/A

ERIC NOYREZ
Bidart, France

*Lead Independent Director
Chair, Compensation and
Human Resources Committee
Member, Audit Committee
Chair, HESS Committee*

Director since October 2017

Independent

Shares held: 18,715

Mr. Noyrez has been an independent and Lead Director of Neo since October 2017, and prior to which he was an independent director of Neo C&O since August 31, 2016. Since October 2018, he has served as the Chief Executive Officer of, and later as an advisor to, Serra Verde Mineracao, a company aiming at developing and producing a rare earths concentrate. Since 2014, he acted as a board member and advisor for various entities. From February 2010 to June 2014, he served successive roles from Chief Operating Officer to Director and Chief Executive Officer at Lynas Corporation, an integrated rare earth mining and separation company. Prior to Lynas, he served as President of the SILCEA division of Rhodia (named Solvay S.A. now) and before 2000, spent 11 years in different business leadership roles at Shell. Eric started his career as an automotive designer at Peugeot-Citroën. He holds a Master's Degree in Engineering (Meng) from École des Mines de Douai, France.

Board/Committees

Attendance

	2022	2023
• Board of Directors	7 of 7	3 of 3
• Audit Committee	4 of 4	1 of 1
• Compensation and Human Resources Committee	2 of 2	4 of 4
• HESS Committee	4 of 4	1 of 1

**CONSTANTINE E.
KARAYANNOPOULOS**
Toronto, Ontario, Canada

*Chief Executive Officer and
Director
Member, HESS Committee*

Mr. Karayannopoulos was appointed Neo's President and Chief Executive Officer in July 2020 and is currently the Chief Executive Officer. He is also a Director and serves on the Health, Environment, Safety and Sustainability (HESS) Committee. He has worked in senior executive positions at Neo and its predecessor companies for more than 20 years, including as Director, President, and Chief Executive Officer of NEM (TSX:NEM) from 2005 until NEM was acquired in June 2012 for US \$1.3 billion. Mr. Karayannopoulos also served as non-executive Chairman of the Board of Neo Lithium Corp., from 2016 until January 2022. He is also a director of the board of the Canada China Business Council, and a member of the Board of Advisors of the University of Toronto's Department of Chemical Engineering and Applied Chemistry. He holds Bachelor's and Masters' of Applied Science degrees in Chemical Engineering from the University of Toronto.

Director since October 2017			
Non-independent		Board/Committees	Attendance
Shares held: 46,801			2022 2023
	<ul style="list-style-type: none"> Board of Directors HESS Committee 	7 of 7 4 of 4	3 of 3 1 of 1
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G. GAIL EDWARDS Toronto, Ontario Canada	Gail Edwards has been a director of Neo since June 2019 and is Chair of the Audit Committee. She is a C-suite financial and real estate executive who is currently a director of Amica Senior Lifestyles and Chair of the Audit Committee, as well as a director and Audit Committee Chair of Victory Holdco LLP, based in New York. Ms. Edwards is also a member of the Real Estate Advisory Committee (REAC) for OP Trust, which manages one of Canada's largest pension funds, and a member of the REAC of the New York State Common Retirement Fund which manages funds in excess of US\$250 billion. Ms. Edwards has held executive management positions with the Minto Group, JH Investments Inc., a New York based real estate developer, a NYSE listed entertainment company, a U.S. based global food service and hospitality company and a Canadian banking institution. Ms. Edwards has her ICD.D designation and is a Canadian Chartered Accountant holding a Bachelor of Science degree in Mathematics from the University of Western Ontario.		
<i>Director</i> <i>Chair, Audit Committee</i>			
Director since June 2019			
Independent			
Shares held: Nil		Board/Committees	Attendance
			2022 2023
	<ul style="list-style-type: none"> Board of Directors Audit Committee 	7 of 7 4 of 4	3 of 3 1 of 1
<hr/>			
EDGAR LEE Medina, Washington, U.S.A.	Mr. Lee has been a director of Neo since October 2017, and prior to which he was a director of Neo C&O from August 31, 2016. He is the Co-Founder and Managing Member of Sagent Group, a private investment firm. He has over 20 years of finance, mergers and acquisition and capital markets experience. Previously, Mr. Lee founded and was the portfolio manager of Oaktree's \$6 billion Strategic Credit strategy. He was also the CEO and CIO of three corporate and specialty finance companies including Oaktree Specialty Lending and Oaktree Strategic Income Corporations. Before joining Oaktree, Mr. Lee worked within the Investment Banking divisions at UBS Investment Bank in Los Angeles and Lehman Brothers, where he was responsible for advising clients on equity and debt financings and mergers and acquisitions. He received a B.A. degree in economics from Swarthmore College and his master's degree from Harvard University.		
<i>Director</i> <i>Member, Compensation and Human Resources Committee</i> <i>Member, Corporate Governance and Nominating Committee</i>			
Director since October 2017			
Independent			
Shares held: Nil		Board/Committees	Attendance
			2022 2023
	<ul style="list-style-type: none"> Board of Directors Corporate Governance and Nominating Committee Compensation and Human Resources Committee 	7 of 7 1 of 1 2 of 2	3 of 3 N/A 4 of 4

YADIN ROZOV Armonk, New York, U.S.A. <i>Director</i> <i>Member, Audit Committee</i> <i>Member, Corporate Governance and Nominating Committee</i> Director since August 2022 Independent Shares held: Nil	Mr. Rozov is an investment professional with over 20 years of experience in capital markets, corporate finance, investment banking, and investment management with substantial experience in corporate strategy and governance. He is the founder and Managing Partner of Terrace Edge Ventures LLC, a financial advisory firm. Previously, Mr. Rozov was a Partner of GoldenTree Asset Management LLC, a leading global credit asset management firm, where he also served as the Chief Executive Officer and President of Syncora Guarantee Inc. and Chief Executive Officer of Financial Guaranty UK Ltd, each of which are stand-alone specialty insurance companies owned by GoldenTree. Additionally, he was a Partner and Managing Director at Moelis & Company where he headed the Financial Institution Advisory group. While at Moelis, Mr. Rozov helped co-found College Avenue Student Loans LLC and served on its board and co-founded Chamonix Partners Capital Management LLC. Before Moelis, Mr. Rozov was a Managing Director at UBS AG, where he was the Head of the Americas for the Repositioning Group. He also serves on the Board of Directors of Midwest Holding, Inc. and Oramed Pharmaceuticals, Inc. Mr. Rozov earned an M.Sc. in data science from Columbia University and a bachelor's degree with highest honors in physics and materials engineering from Rutgers University.
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	Board/Committees	Attendance	
		2022	2023
•	Board of Directors	4 of 4	3 of 3
•	Audit Committee	N/A	1 of 1
•	Corporate Governance and Nominating Committee	N/A	N/A

Notes:

- (1) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective parties.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than as set out below, no proposed director of the Corporation is, as at the date of this Information Circular, or was within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the preceding disclosure, an "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for more than 30 days.

Constantine Karayannopoulos was a director of Molycorp, the predecessor company to the Corporation when Molycorp's common shares were delisted from the New York Stock Exchange in connection with the Reorganization.

Bankruptcies

Other than as set out below, no proposed director of the Corporation:

- (a) is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that,

while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the director, executive officer or shareholder.

Constantine Karayannopoulos was a director of Molycorp Inc., the predecessor company to the Corporation, when Molycorp Inc. underwent the Reorganization.

Penalties and Sanctions

Other than as set out below, no proposed director of the Corporation has been subject to:

- (a) any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Edgar Lee was an officer of Oaktree Capital Management. A principal focus of Oaktree Capital Management's investing activities is in the debt of financially stressed or distressed companies and to take an active role in the bankruptcy process, often emerging with equity of the reorganized company. As such, Oaktree and its officers are often subject to litigation that arises in the ordinary course of its business of investing in distressed debt and special situation funds.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and officers of other companies. The directors of the Corporation are bound by the provisions of applicable corporate law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its directors and officers or other members of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

2. RE-APPOINTMENT OF AUDITORS

The management of the Corporation recommends the re-appointment of KPMG LLP Chartered Accountants, as auditors of the Corporation. KPMG LLP have been the auditors for the Corporation since the Corporation was incorporated in September 2017. Unless such authority is withheld, the Common Shares represented by the accompanying form of proxy will be voted in favour of the re-appointment of KPMG LLP Chartered Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders and authorizing the directors of the Corporation to fix their remuneration.

This resolution requires the approval of a simple majority of the votes cast at the Meeting, in person or by proxy, in order to be approved.

In the absence of instructions to the contrary, the Common Shares represented by a properly executed form of proxy in favour of the persons designated by management of the Corporation will be voted FOR the re-appointment of KPMG LLP Chartered Accountants as auditors of the Corporation.

3. APPROVAL OF THE AMENDED & RESTATED SHAREHOLDER RIGHTS PLAN

At the Meeting, Shareholders will be asked to approve an ordinary resolution, with or without amendment, the text of which is reproduced in Appendix "B" to this Circular, approving, ratifying and confirming an amended and restated shareholder rights plan (the "**A&R Rights Plan**") to be dated on or about June 8, 2023. A summary of the principal terms of the A&R Rights Plan is set out in Appendix "D" to the Circular and a copy of the A&R Rights Plan is attached as Appendix "E" to this Circular. The A&R Rights Plan contains limited amendments to the shareholder rights plan agreement (the "**Current Rights Plan**") dated September 20, 2022, between the Corporation and Computershare Investor Services Inc. to clarify certain provisions as well as amendments of an ancillary or housekeeping nature. The A&R Rights Plan also takes into account and addresses the guidelines of institutional investors and proxy advisory firms with respect to shareholder rights plans.

If the ordinary resolution approving, ratifying and confirming the A&R Rights Plan is not passed at the Meeting, the A&R Rights Plan will not become effective. However, if the ordinary resolution approving, ratifying and confirming the A&R Rights Plan is passed at the Meeting, the A&R Rights Plan will take effect on the close of business on the date of the Meeting, replacing the Current Rights Plan, which will terminate in accordance with its terms at the conclusion of the Meeting.

As the Corporation did not obtain shareholder ratification of the Current Rights Plan within six months of its adoption, the Toronto Stock Exchange (the "**TSX**") has, in accordance with its rules, deferred its consideration of the acceptance of the Current Rights Plan and any other shareholder rights plan adopted by the Corporation, including the A&R Rights Plan, until such time as Shareholders have approved, ratified and confirmed the applicable rights plan. While the TSX has deferred its acceptance of the Current Rights Plan and the A&R Rights Plan, the Current Rights Plan remains effective in accordance with its terms (i.e., until the conclusion of the Meeting).

If the A&R Rights Plan is approved by Shareholders at the Meeting, it will, subject to the approval of the TSX, remain in effect and will require reconfirmation by Shareholders at the 2026 annual meeting of Shareholders (or any adjournment(s) or postponement(s) thereof) and thereafter at such annual meeting (or any postponement(s) or adjournment(s) thereof) to be held, *mutatis mutandis*, every three years thereafter.

Purpose of the Amended and Restated Shareholder Rights Plan

A shareholder rights plan is a common mechanism used by public entities to encourage the fair and equal treatment of all shareholders in the event of a take-over initiative. Shareholder rights plans have been adopted and reconfirmed by a number of publicly held corporations in Canada. The terms of the A&R Rights Plan are substantially similar to those plans.

Under a shareholder rights plan, rights to purchase shares are issued to all shareholders. Initially, the rights are not exercisable. However, if a person or group proceeds with a take-over bid for 20% or more of the target company's shares that does not meet the "permitted bid" criteria contained in the shareholder rights plan and the shareholder rights plan is triggered, the rights (other than those owned by the person or group making the bid) become exercisable for shares at a discount to the market price at the time of exercise, causing substantial dilution and making the take-over bid uneconomical.

The Board believes the Current Rights Plan encourages and, if the A&R Rights Plan is approved, ratified and confirmed at the Meeting, the A&R Rights Plan will continue to encourage, persons seeking to acquire control of the Corporation to do so by means of public take-over bids available to all Shareholders and that the Current Rights Plan deters and, if the A&R Rights Plan is approved, ratified and confirmed at the Meeting, the A&R Rights Plan will continue to deter, acquisitions by means that may deny some Shareholders the opportunity to share in the premium that an acquiror is likely to pay upon an acquisition of control. By motivating would-be acquirors to make public take-over bids, Shareholders will have the best opportunity of being assured that they will participate on an equal basis, regardless of the size of their holdings, in any acquisition of control of the Corporation.

The Board believes that the Current Rights Plan does not and, if the A&R Rights Plan is approved, ratified and confirmed at the Meeting, the A&R Rights Plan will not, adversely limit the opportunity for Shareholders to dispose of their Common Shares through a take-over bid for the Corporation which provides fair value to all Shareholders. The Board will continue to be obligated to consider fully and fairly any bona fide take-over bid for the Common Shares and to discharge their responsibilities with a view to the best interests of the Shareholders.

In adopting the Current Rights Plan and recommending that Shareholders approve, ratify and confirm the A&R Rights Plan, the Board considered the existing legislative framework governing take-over bids in Canada. The minimum bid period under the current take-over bid legislative framework (as most recently amended on February 26, 2016 by the Canadian Securities Administrators) is 105 days. All non-exempt take-over bids must meet a minimum tender requirement of more than 50% of the outstanding securities which are not owned or held by the acquiror and any joint actors of the acquiror, and are required to offer a ten-day extension after the minimum tender requirement is met. Regarding the minimum bid period, a target issuer will have the ability to voluntarily reduce the period to not less than 35 days. Additionally, the minimum bid period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As the foregoing requirements do not apply to exempt take-over bids, there continues to be a role for shareholder rights plans in protecting issuers and preventing the unequal treatment of shareholders, particularly in respect of the following:

- protecting against "creeping bids" (the accumulation of more than 20% of the Common Shares) through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of Shareholders under private agreements at a premium to the market price not available to all Shareholders, (ii) acquiring control through the slow accumulation of Common Shares not available to all shareholders, (iii) acquiring control through the slow accumulation of Common Shares over a stock exchange without paying a control premium, or (iv) through other transactions outside of Canada that may not be formally subject to Canadian take-over bid rules, and requiring the bid to be made to all Shareholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing Shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By applying to all acquisitions of 20% or more of Common Shares, except in limited circumstances including Permitted Bids (as defined in the A&R Rights Plan), the A&R Rights Plan is designed to ensure that all Shareholders receive equal treatment. In addition, there may be circumstances where bidders request lock-up agreements that are not in the best interests of the Corporation or the Shareholders. Shareholders may also feel compelled to tender their shares to a take-over bid, even if they consider such bid to be inadequate, out of a concern that failing to do so may result in a shareholder being left with illiquid or minority discounted shares in the Corporation.

As a result of the foregoing, the Board has determined that it is advisable and in the best interests of the Corporation and the Shareholders that the Corporation have in place a shareholder rights plan in the form of the A&R Rights Plan.

In recommending the approval, ratification and confirmation of the A&R Rights Plan, it is not the intention of the Board to either secure the continuance of the Board or management of the Corporation or to preclude a take-over bid for control of the Corporation. The A&R Rights Plan provides various mechanisms whereby Shareholders may tender their shares to a take-over bid as long as the bid meets the "Permitted Bid" criteria under the A&R Rights Plan. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Board still has a duty to consider any take-over bid for the Corporation and consider whether or not it should waive the application of the A&R Rights Plan in respect of such bid. In discharging such duty, the Board must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders.

The A&R Rights Plan is therefore designed to encourage a potential acquiror who makes a take-over bid to proceed either by way of a Permitted Bid (as defined in the A&R Rights Plan), which requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards and the A&R Rights Plan is not waived by the Board, the A&R Rights Plan provides that holders of rights issued under the Rights Plan, other than the acquiror and certain persons related to the acquiror, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the acquiror to substantial dilution of its holdings.

The A&R Rights Plan is not expected to interfere with the Corporation's day-to-day operations. The issuance of rights under the A&R Rights Plan will not in any way alter the financial condition of the Corporation, impede its business plans, or alter its financial statements. For greater certainty, the A&R Rights Plan does not preclude the Corporation from seeking additional financing. In addition, the A&R Rights Plan is initially not dilutive. However, if a Flip-in Event (as defined in the A&R Rights Plan) occurs and the rights separate from the Common Shares, financial metrics reported on a per share basis may be affected. In addition, holders of rights not exercising their rights after a Flip-in Event may suffer substantial dilution.

The A&R Rights Plan is not being proposed in respect of any unsolicited proposal to acquire control of the Corporation, nor is the Board aware of any pending or threatened take-over bid for the Corporation.

The A&R Rights Plan does not preclude any Shareholder from using the proxy mechanism of the OBCA, the Corporation's governing corporate statute, to promote a change in the Corporation's management or in the Board, and it will have no effect on the rights of Shareholders to requisition a meeting of Shareholders in accordance with the provisions of applicable legislation.

Shareholder Approval of the Amended and Restated Shareholder Rights Plan

The Board recommends that the Shareholders vote FOR the resolution set out in Appendix "B" of this Circular.

To be effective, the ordinary resolution approving, ratifying and confirming the A&R Rights Plan must be approved by the affirmative vote of a majority of the Independent Shareholders (as defined in the A&R Rights Plan) present or represented by proxy at the Meeting. As of the date of this Circular, the Board is not aware of any Shareholders whose votes would be required to be excluded.

UNLESS A SHAREHOLDER SPECIFIES IN ITS PROXY THAT THE SHARES REPRESENTED BY SUCH PROXY ARE TO BE VOTED AGAINST THE ORDINARY RESOLUTION APPROVING, RATIFYING AND CONFIRMING THE A&R RIGHTS PLAN, THE PERSONS NAMED IN THE PROXY SHALL VOTE THE SHARES FOR THE ORDINARY RESOLUTION APPROVING, RATIFYING AND CONFIRMING THE A&R RIGHTS PLAN.

Canadian Federal Income Tax Consequences

The Corporation will not be required to include any amount in computing the Corporation's income for the purposes of the *Income Tax Act* (Canada) (the "ITA") as a result of the issuance of the rights.

Generally, under the ITA, the value of a right, if any, to acquire additional shares of a company is not a taxable benefit includable in income and is not subject to non-resident withholding tax if an identical right is conferred on all shareholders. While such rights are conferred on all Shareholders, they may become void in the hands of certain Shareholders upon the occurrence of certain triggering events. Whether the issuance of the rights is a taxable event is not therefore free of doubt. In any event, no amount in respect of the value of the rights is required to be included in computing income, or subject to withholding tax, if the rights do not have any value at the date of issue. The Corporation considers that the rights have negligible value when issued, there being only a remote possibility that the rights will ever be exercised. If the rights have no value, the issue of the rights will not give rise to a taxable benefit and will not be subject to non-resident withholding tax.

The foregoing does not address the Canadian income tax consequences of other events such as the separation of the rights from the shares, the occurrence of a Flip-in Event or the redemption of rights. The holder of rights may have income or be subject to withholding tax under the ITA if the rights become exercisable or are exercised or are otherwise disposed of.

This statement is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular holder of shares. Such shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their rights, taking into account their own particular circumstances and any applicable federal, provincial, territorial or foreign legislation.

PART III ADDITIONAL DISCLOSURE

STATEMENT OF EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6 be included in this Information Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and each of the issuer's three mostly highly compensated executive officers whose total compensation exceeds C\$150,000. Based on these requirements, the executive officers of the Corporation for whom disclosure is required under Form 51-102F6 are Mr. Constantine E. Karayannopoulos (the Chief Executive Officer), Mr. Rahim Suleman (President and Interim Chief Financial Officer), Mr. Kevin Morris, Mr. Jeff Hogan and Mr. Greg Kroll (collectively referred to as "**Named Executive Officers**").

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

Overview

The Board, upon recommendation of the Compensation and Human Resources Committee, makes decisions regarding all forms of compensation, including salaries, bonuses and equity incentive compensation for the Corporation's executive officers. The Compensation and Human Resources Committee makes recommendations to the Board regarding compensation of the President and Chief Executive Officer and makes decisions in conjunction with feedback from the President and Chief Executive Officer regarding the compensation of the Corporation's other executive officers. The Compensation and Human Resources Committee, in consultation with the President and Chief Executive Officer, also administers employee incentive compensation, including equity-based compensation plans.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee is comprised of three directors, none of whom are officers of the Corporation and, as such, the Board believes that the Compensation and Human Resources Committee is able to conduct its activities in an objective manner. See "*Corporate Governance – Compensation and Human Resources Committee*".

For additional details regarding the relevant education and experience of each member of the Compensation and Human Resources Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see "*Directors and Executive Officers – Biographies*".

The Board has adopted a written mandate setting forth the purpose, composition, authority and responsibility of the Compensation and Human Resources Committee. The primary responsibilities and duties of the Compensation and Human Resources Committee, include, but are not limited to:

- discharging the Board's responsibilities relating to the compensation of the Corporation's executive officers;
- administering the Corporation's incentive compensation and equity-based compensation plans; and
- assisting the Board with respect to management succession and development.

The Compensation and Human Resources Committee reviews and makes recommendations to the Board on an annual basis regarding: (i) company-wide compensation programs and practices; (ii) all aspects of the remuneration of the Corporation's executive officers; and (iii) equity-based plans and any material amendments thereto.

Compensation Objectives

The objectives of the Corporation's executive compensation arrangements, the Corporation's executive compensation philosophy and the application of this philosophy to the Corporation's executive compensation arrangements as well as those relating to compensation of directors is set out below. When determining the compensation arrangements for the Named Executive Officers, the Compensation and Human Resources Committee expects to consider the objectives of: (i) retaining an executive critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Corporation's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

Compensation Consulting Services

Under its mandate, the Compensation and Human Resources Committee has the authority to retain, and did retain in 2021, the services of executive compensation consultants to provide independent advice on executive compensation and related governance issues. The Compensation and Human Resources Committee also has the authority to determine and pay the fees of such consultants. All compensation and non-compensation services provided by such independent advisors, consultants and experts to the Corporation must be pre-approved by the Compensation and Human Resources Committee or its chair.

In March 2021, the Corporation engaged Korn Ferry, as executive compensation advisor, to provide expertise and advise in connection with a comprehensive review of the compensation of the Corporation's executives, including the Named Executive Officers. As part of its engagement, Korn Ferry reviewed a peer group of 15 companies, the assessment of the Corporation's positioning within the peer group in terms of compensation levels and mix and a review of the Corporation's compensation programs. The peer group is comprised of publicly traded companies in Canada, the United States, the United Kingdom and Switzerland (recognizing the absence of direct comparators in Canada) having a revenue range both above and below the Corporation's. Some of the other factors considered in the choice of peer group were being industrial-focused and having a global footprint. The peer group used for benchmarking executive compensation includes: Quaker Chemical Corporation (NYSE); Ingevity Corporation (NYSE); Innospec Inc. (NASDAQ); CMC Materials, Inc. (NASDAQ); PQ Group Holdings Inc. (NYSE); Ferro Corporation (NYSE); GCP Applied Technologies Inc. (NYSE); Elementis plc (LSE); Gurit Holding AG (SWX); Victrex plc (LSE); LSB Industries, Inc. (NYSE); Haynes International, Inc.; Livent Corporation (NYSE); DMC Global Inc. (NASDAQ); and 5N Plus Inc. (TSX).

Elements of 2022 Compensation of Named Executive Officers

The Corporation believes that a substantial portion of the total compensation for the Named Executive Officers should be variable and tied to the Corporation's performance to align their compensation interests with the achievement of the Corporation's business objectives and the long-term investment interests of the Corporation's shareholders. At the same time, the Corporation strives to attract and retain high caliber executives through the measured use of competitive fixed compensation. The Corporation's program of both fixed and at risk compensation is offered at levels that the Corporation believes are competitive within its industry and was appropriate for 2022.

The Corporation believes the compensation program, when evaluated on a component by component basis and in total, effectively achieves the Corporation's compensation philosophy and objectives described above. The following table summarizes the key components of the Corporation's compensation program for 2022:

Component	Primary Purpose and Objectives
Base Salary	Base salary compensates an individual in cash for his or her responsibilities, skills, experience and performance. The levels of base salaries are intended to attract and retain a high quality management team, especially when combined with the other components of the Corporation's compensation program. The levels of base salary for the Named Executive Officers are designed to reflect each executive officer's scope of responsibility, accountability and industry experience.

Component	Primary Purpose and Objectives
<i>Annual Incentive Program Awards</i>	The Corporation's annual incentive program awards are used to align the Named Executive Officers' compensation interests with the overall business objectives and the short term investment interests of the Corporation's shareholders by rewarding the Named Executive Officers for annual performance. Corporate goals were established and approved by the Board in March 2022 and performance is evaluated after year end. Payments with respect to the 2022 annual incentive program awards will be made in cash in May 2023.
<i>Long Term Incentive Program Awards</i>	<p>In May 2021, the Board adopted the Omnibus Plan, the purposes of which are to foster and promote the long-term financial success of the Corporation and materially increase the value of the Corporation. The Omnibus Plan authorizes the granting of equity-based compensation in the form of Options, RSUs, SARs, DSUs, and other awards. Awards granted under the Plan will be settled in Common Shares and in some cases, cash.</p> <p>Previously, the Corporation had adopted the Option Plan, a cash-settled long-term incentive plan and a directors' share unit plan. In addition, prior to the scheme of arrangement completed in November 2017 with Neo Cayman, the Company had adopted the Legacy Plan. Awards outstanding pursuant to the Legacy Plan include options, restricted share units and performance share units. There will be no further grants of awards made under the Option Plan, the prior long-term incentive plan, the directors' share unit plan or the Legacy Plan. As of the date hereof, there are no outstanding RSUs or PSUs pursuant to the Legacy Plan.</p>
<i>Health and Welfare Benefits</i>	Broad-based and customary health and welfare benefits provide for basic health, life and income security needs of the Named Executive Officers and their dependents. These health and welfare benefits are competitive with industry practices and help attract and retain executives.
<i>Retirement Benefits</i>	The Corporation's Canada Group Retirement Savings Plan for the Corporation's Canadian based Named Executive Officers and the Corporation's 401(k) plan for the Named Executive Officers who reside in the United States encourage and reward long-term service by providing market-based benefits for retirement. All employees who are Canadian residents are eligible to participate in the Corporation's Canada Group Retirement Savings Plan and all U.S. based employees are eligible to participate in the Corporation's 401(k) plan.

2022 Base Salaries

In March 2022, the Board approved an inflationary increase to the base salary of all Named Executive Officers. In March 2021, the Corporation engaged Korn Ferry, as executive compensation advisor. Korn Ferry's report included a recommendation that the base salary of the Executive Vice President, Magnequench be increased. In September 2021, based on the recommendation of the Compensation and Human Resources Committee, the Board approved an increase in the base salary of the Executive Vice President, Magnequench of 9.4% to US\$350,000. In March 2022, based on the recommendation of the Compensation and Human Resources Committee, the Board approved a second increase in the base salary of the Executive Vice President, Magnequench of 8.6% to US\$380,000.

2022 Annual Incentive Program Awards

The annual incentive for a Named Executive Officer is calculated by multiplying base salary by a target incentive percentage ranging from 60 to 85% of base salary. The following multiples of base salary are provided for in the employment agreements for each of the Named Executive Officers:

	Annual Incentive Target Percentage
Constantine E. Karayannopoulos	85%
Rahim Suleman	65%
Kevin Morris	65%
Jeff Hogan	60%
Greg Kroll	60%

The annual incentive for the President, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer was approved by the Board and is dependent upon corporate and personal performance, measured against the annual business plan approved by the Board. The annual incentive pay for other Named Executive Officers is recommended to the Board by the Chief Executive Officer and is dependent upon corporate, business segment and personal performance and measured against the annual business plan.

Metrics and Goals

In March 2022, the Board approved the 2022 Annual Incentive Plan Goals consisting of the following three metrics for both corporate and business segments: Health, Environment, Safety and Security ("**HESS**"); Adjusted EBITDA vs. Budget; and Strategic Priorities. Each of these metrics is discussed in more detail below:

HESS – 10%. The components of this metric will be the average of LTIR ("**Lost Time Incident Rate**") and TRIR ("**Total Reportable Incident Rate**");

Adjusted EBITDA vs. Budget – 80%. Adjusted EBITDA is defined in the 2022 budget as operating profit plus non-cash items and other selected items, to be computed in a manner consistent between budget and actuals; and

Strategic Priorities – 10%. A subjective measure of achievement against strategic objectives reviewed by the Board in the first quarter of the year.

The Board also approved the following weightings for the Named Executive Officers:

	Corporate	Business Segment / Department	Personal Performance	Total
Chief Executive Officer / Chief Financial Officer / Chief Operating Officer	90%	—	10%	100%
Business Segment Executive Vice President ...	45%	45%	10%	100%

Other Compensation – The Omnibus Plan

The Omnibus Plan allows for a variety of equity-based awards that provide different types of incentives, particularly Options, RSUs, DSUs and SARs, to be granted to officers, directors, employees and consultants of the Company and its subsidiaries. The following discussion is qualified in its entirety by the text of the Omnibus Plan.

Under the terms of the Omnibus Plan, the Board, or if authorized by the Board, the Compensation and Human Resources Committee, may grant Awards to eligible participants, as applicable. Participation in the Omnibus Plan is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interests of any participant in any award are not assignable or transferable, whether voluntary, involuntary, by operation of law, otherwise, other than by will or the laws of descent and distribution.

The Omnibus Plan provides that appropriate adjustment, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Common Shares, share split or consolidation, distribution, merger or amalgamation involving the Common Shares issuable or amounts payable to preclude the dilution or

enlargement of the benefits of the Omnibus Plan. The Omnibus Plan does not contain any form of financial assistance. All prior Options, RSUs, PSUs, SARs, and DSUs granted under the Corporation's Option Plan, the Prior LTIP, the DSU Plan or any other vehicles, continue to be governed by the terms of such plans.

The total number of Common Shares reserved and available for grant and issuance from treasury pursuant to awards under the Omnibus Plan shall not exceed 2,365,000 (being 6.3% of the total issued and outstanding Common Shares as of the date of adoption of the Omnibus Plan); provided, however, that in the event that any such outstanding awards under other share-based compensation arrangements are forfeited they shall be added to the aggregate number of Common Shares reserved and available for grant pursuant to Omnibus Plan. In addition, of the number of Common Shares reserved for settlement of awards issued pursuant to the Omnibus Plan, the number of Common Shares available for issuance from treasury under the Omnibus Plan for the settlement of SARs and RSUs shall not exceed 1,400,000.

In the 2022 fiscal year, options, RSUs and PSUs were granted under the Omnibus Plan, pursuant to which an aggregate of 385,975 Common Shares are issuable representing an annual burn rate of 0.92%. In fiscal 2020 and 2021, the annual burn rates were 0.16% and 1.23%, respectively.

The maximum number of Common Shares that may be: (i) issued to insiders of the Corporation within any one year period; or (ii) issuable to insiders of the Corporation at any time, in each case, under the Omnibus Plan alone, or when combined with all of the Corporation's other security-based compensation arrangements, including the Option Plan, cannot exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time.

An option shall be exercisable during a period established by the Board which shall commence on the date of the grant and shall terminate no earlier than one year and no later than 10 years after the date of grant. The minimum exercise price of an option will be determined by the Board based on the weighted average closing price of the Common Shares on the TSX on the five trading days prior to the date such option is granted. The Omnibus Plan provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a blackout period. In such cases, the extended exercise period shall be terminated 10 business days after the last day of the black-out period.

The number of DSUs that a participant is entitled to receive in a fiscal year is based upon the percentage that the Board has determined that such participant will receive, in DSUs multiplied by the participant's annual retainer divided by the market value of Common Shares (as set out in the Omnibus Plan). Each participant is entitled to redeem his or her DSUs within 90 days of his or her separation from the Corporation, and such DSUs may be settled in cash or Common Shares purchased on the open market.

The Board may determine the number of RSUs to be granted to a participant, the relevant vesting provisions of such RSUs, including any performance criteria and period over which such performance criteria must be met, if any and any other terms and conditions prescribed in the Omnibus Plan. The Board shall determine whether RSUs will be settled in Common Shares issued from treasury or purchased on the secondary market or settled in cash.

The Board may determine the number of SARs to be granted to a participant, whether such SAR is to be settled in Common Shares or the cash equivalent thereof, and the exercise price of a SAR, which shall not be less than the applicable market value of Common Shares (as set out in the Omnibus Plan).

When dividends (other than stock dividends) are paid on Common Shares, participants under the Omnibus Plan who have been granted RSUs or DSUs shall receive additional RSUs or DSUs, as applicable ("**Dividend Equivalents**") as of the dividend payment date. The number of Dividend Equivalents to be granted to the participant shall be determined by multiplying the aggregate number of RSUs or DSUs, as applicable, held by the participant on the relevant record date by the amount of the dividend paid by the Corporation on each Common Share, and dividing the result by the market value (as determined in the Omnibus Plan) on the dividend payment date.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Plan, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, subject to the terms of a participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Options	RSUs, DSUs and SARs
<i>Termination for cause</i>	Immediate forfeiture of all unexercised vested and unvested options	Immediate forfeiture of all unvested RSUs, DSUs and SARs, as applicable
<i>Termination other than for cause</i>	Forfeiture of all unvested options upon the earlier of the original expiry date and 90 days after termination to exercise vested options or such longer period as the Board may determine in its sole discretion	The Corporation shall settle any vested RSUs, DSUs and SARs in accordance with their terms, and other unexercised or unvested RSUs, DSUs and SARs shall immediately vest and be settled on a pro-rated basis based on time elapsed and/or performance criteria, as applicable
<i>Resignation</i>	Forfeiture of all unvested options upon the earlier of the original expiry date and 90 days after resignation to exercise vested options or such longer period as the Board may determine in its sole discretion	Forfeiture of all unvested RSUs, DSUs and SARs, as applicable, and the Corporation shall settle any vested RSUs, DSUs and SARs in accordance with their terms
<i>Retirement</i>	All unvested options continue to vest in accordance with their terms and any vested unexercised options shall expire on the earlier of five years after the date of retirement and the original expiry date of the options	RSUs, DSUs and SARs shall continue to vest in accordance with their terms. Settlement of RSUs, DSUs and SARs subject to performance criteria shall be pro-rated for the time elapsed in the performance period up to the date of retirement
<i>Death or long-term disability</i>	Forfeiture of all unvested options upon the earlier of the original expiry date and 12 months after date of death or long-term disability to exercise vested options or such longer period as set out by the Board in its sole discretion	RSUs, DSUs and SARs shall continue to vest for a maximum period of 12 months or until the vesting date set out in the grant agreement (whichever is shorter) and settle within 30 days of such period.

In connection with a change of control of the Corporation, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, provided that the Board may accelerate the vesting of Awards if: (i) the required steps to cause the conversion or exchange or replacement of Awards are impossible or impracticable to take or are not being taken by the parties required to take such steps (other than the Corporation); or (ii) the Corporation has entered into an agreement which, if completed, would result in a change of control and the counterparty or counterparties to such agreement require that all outstanding Awards be exercised immediately before the effective time of such transaction or terminated on or after the effective time of such transaction. If a participant is terminated without cause during the 24th month period following a change of control, any Awards then outstanding shall automatically vest so that (i) options may be exercised in whole or in part by the participant for 90 days thereafter or prior to the expiry date in respect thereof, whichever is sooner, and; (ii) other Awards shall vest and the participant shall be entitled to receive and the Corporation shall issue Common Shares in satisfaction of such Awards.

The Board may, in its sole discretion, suspend or terminate the Omnibus Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Plan or of any securities granted under the Omnibus Plan and any grant agreement relating thereto, subject to any required regulatory and TSX approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan or as required by applicable laws.

The Board may amend the Omnibus Plan or any securities granted under the Omnibus Plan at any time without the consent of a participant provided that such amendment shall: (i) not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSX; and (iii) be subject to shareholder approval, where required by law, the requirements of the TSX or the Omnibus Plan, provided however that shareholder

approval shall not be required for the following amendments and our Board may make any changes which may include but are not limited to:

- any amendments of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Plan, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan;
- any amendments to the vesting provisions of Awards;
- any amendments to accelerate the date on which any Award may be exercised under the Omnibus Plan; and
- any amendments of the Omnibus Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the Common Shares are then listed; or
- any amendments regarding the administration of the Omnibus Plan.

Notwithstanding the foregoing, shareholder approval is required for certain amendments to the Omnibus Plan, including, but not limited to the following:

- any change to the maximum number of Common Shares issuable from treasury under the Omnibus Plan;
- (i) any amendment which reduces the exercise price of any Award, after such Awards have been granted, except in the case of an adjustment pursuant to the Omnibus Plan; or (ii) any cancellation of an Award granted and the substitution of that Award by a new Award with a reduced price;
- any amendment which extends the expiry date of any Award beyond the original expiry date, except in case of an extension due to a black-out period;
- expands the authority of the Board to permit assignability of Awards other than as permitted under the Omnibus Plan;
- adds to the categories of eligible participants who may be designated for participation in the Omnibus Plan;
- removes or increases the insider participation limit under the Omnibus Plan; or
- any amendments to the amendments provisions of the Omnibus Plan.

Other Compensation – The Option Plan

Prior to the adoption of the LTIP, the Corporation had adopted a stock option on October 13, 2017 (the "**Option Plan**"). Any options outstanding under the Option Plan continue to be governed by the terms of the Option Plan. As at the date of the most recently completed financial year ended December 31, 2022, a total of 121,169 options were issued and outstanding under the Option Plan, representing approximately 0.27% of the issued and outstanding Common Shares, on a non-diluted basis. No further options will be granted under the Option Plan.

Other Compensation – The Prior LTIP

On May 9, 2018, the Board adopted a Long-Term Incentive Plan (the "**Prior LTIP**"), the purposes of which were to foster and promote the long-term financial success of the Corporation and materially increase the value of the Corporation. All awards granted under the Prior LTIP are to be settled in cash. As of December 31, 2022, there were 57,275 RSUs and 68,130 PSUs outstanding under the Prior LTIP. No further RSUs or PSUs will be granted under the Prior LTIP.

Other Compensation – The Legacy Plan

The Named Executive Officers were entitled to participate in the Legacy Plan, the purpose of which was to align the interests of participants with those of shareholders of Neo Cayman providing incentive compensation opportunities tied to performance of the securities of Neo Cayman. The Legacy Plan authorized the granting of equity-based compensation in the forms of options to purchase ordinary shares of Neo Cayman ("**Legacy Options**"), restricted share units ("**Legacy RSUs**"), and two series of performance units ("**Legacy PSUs**" and "**Legacy Additional PSUs**", respectively). There will be no further grants made under the Legacy Plan.

As at December 31, 2022, the following equity-based awards were outstanding under the Legacy Plan:

Group	Legacy Options
Executive Officers and Employees	522,680
Former Executive Officer.....	88,002
Directors ⁽¹⁾	86,672

Note:

(1) Includes 53,336 Legacy Options granted to Mr. Karayannopoulos in 2016 when he served as Chairman of Neo Cayman.

The number of Common Shares issuable on exercise of the Legacy Options and the exercise price per share have been adjusted to apply the exchange ratio applied in connection with the Arrangement. One-quarter of the Legacy Options vested on each of the first four anniversaries of the grant date, beginning on September 1, 2017.

The Corporation has assumed the obligation to issue Common Shares underlying the securities outstanding pursuant to the Legacy Plan. The number of Common Shares to be issued pursuant to the terms of the Legacy Options reflects the application of the exchange rate applied on the completion of the Arrangement.

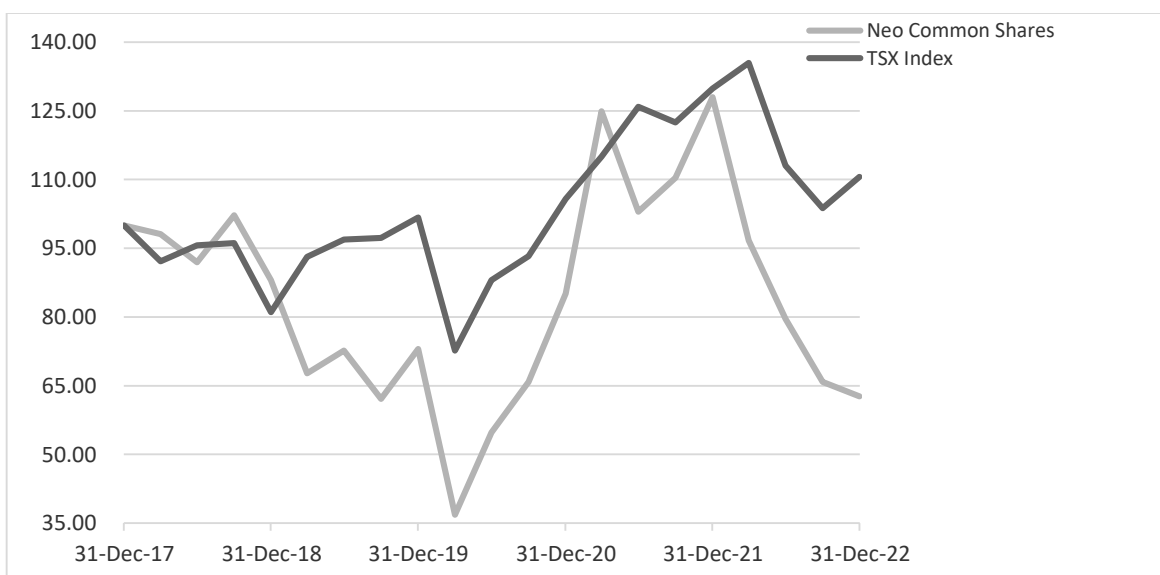
In the event of a stock dividend, extraordinary cash or stock dividend or other distribution or payment with respect to the Common Shares, among other events, the Legacy Plan (as assumed by the Corporation) provides that the Board shall, in good faith to be equitable to the holders of the Legacy Options (to prevent, among other things, dilution or enlargement of the rights of the holders), make appropriate adjustments to the applicable securities, underlying securities and/or the exercise prices of the respective awards.

Clawback Policy

The Board has adopted an incentive compensation clawback policy that allows the Corporation to recover, from current and former executives, certain incentive compensation amounts awarded or paid to individuals, including equity-based incentive awards, if the individuals engaged in fraud or willful misconduct that led to inaccurate financial results reporting, regardless of whether the misconduct resulted in a restatement of all or part of the Corporation's financial statements.

Performance Graph

The following line graph compares the cumulative return of the Common Shares based on the trading prices of the Common Shares on the TSX with the total return of the S&P/TSX Composite Index value (the "**TSX Index**") for the most recently completed fiscal year. The Common Shares commenced trading on the TSX on December 8, 2017 and the graph assumed that the dividends paid on the Common Shares were reinvested on the date paid.



	Dec. 31, 2017	June 30, 2018	Dec. 31, 2018	June 30, 2019	Dec. 31, 2019	June 30, 2020	Dec. 31, 2020	June 30, 2021	Dec. 31, 2021	June 30, 2022	Dec. 31, 2022
TSX Index	100.00	95.65	81.06	96.91	101.71	88.06	105.78	125.88	129.87	113.02	110.59
Common Shares	100.00	91.98	88.01	72.65	73.02	54.84	85.09	102.97	128.01	79.56	62.68

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Corporation's executive compensation program requires the Compensation and Human Resources Committee to consider risks associated with the Corporation's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the Compensation and Human Resources Committee.

The Corporation's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Corporation and its shareholders. In each case, the Corporation seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include: (i) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation; (ii) balancing base salary and variable compensation elements; and (iii) spreading compensation across short and long-term programs.

Compensation of Named Executive Officers

The following table sets out information concerning the targeted compensation to be earned by, paid to or awarded to the Named Executive Officers for the fiscal years ending December 31, 2022, 2021 and 2020.

(US\$)

Name and principal position	Year	Salary ⁽¹⁾	Option-based awards ⁽²⁾	Share-based awards ⁽²⁾	Non-equity incentive plan compensation		Pension value ⁽³⁾	All other compensation	Total compensation ⁽¹⁾
					Annual incentive plans	Long-term incentive plans			
Constantine E. Karayannopoulos ⁽⁴⁾	2022	524,741	223,878	549,110	670,737	—	11,223	26,092	2,005,782
<i>President and Chief Executive Officer</i>	2021	526,327	370,460	868,187	679,901	—	11,101	26,802	2,482,778
	2020	269,689	135,954	—	—	2,046,436	10,149	296,628	2,758,857
Rahim Suleman ⁽⁵⁾	2022	399,492	104,566	256,542	451,310	—	11,223	61,340	1,284,474
<i>Executive Vice President & Chief Financial Officer</i>	2021	400,702	173,037	405,516	455,277	—	11,101	61,771	1,507,404
	2020	368,884	—	—	90,395	—	10,149	81,329	550,757
Kevin Morris ⁽⁶⁾	2022	432,705	92,488	226,907	488,830	—	12,200	71,126	1,324,256
<i>Executive Vice President and Chief Operating Officer</i>	2021	420,132	154,480	361,980	525,015	—	11,600	72,652	1,545,859
	2020	411,890	—	—	100,935	—	11,400	97,724	621,949
Jeff Hogan.....	2022	374,390	80,031	196,343	339,875	—	12,200	65,642	1,068,481
<i>Executive Vice President, C&O</i>	2021	361,725	133,643	313,235	379,380	—	11,600	70,559	1,270,141
	2020	356,375	—	—	102,210	—	11,400	86,717	556,702
Greg Kroll	2022	380,000	81,229	199,249	313,160	—	12,200	11,165	997,002
<i>Executive Vice President, Magnequench</i>	2021	350,000	129,306	303,114	367,080	—	11,600	20,236	1,181,336
	2020	316,087	—	—	105,415	—	11,400	78,715	511,617

Notes:

- (1) The Corporation reports its financial statements in U.S. dollars and the table above is shown in U.S. dollars. Mr. Morris, Mr. Hogan and Mr. Kroll are paid in U.S. dollars. Compensation for Messrs. Karayannopoulos and Suleman is made in Canadian dollars but has been converted for the table above at the Bank of Canada average annual exchange rate for the year ended December 31, 2022 of \$1.00 = C\$1.3013.
- (2) The fair value of Option-Based awards are estimated using the Black-Scholes option pricing model. The Corporation has adopted fair value accounting for Options using the Black-Scholes fair value option pricing model, as established methodology.
- (3) Pension amounts represent contributions of the Corporation to a defined contribution retirement savings or 401(k) plan.
- (4) Mr. Karayannopoulos received no additional compensation in his capacity as a director of the Corporation after he assumed the role of President and Chief Executive Officer on July 7, 2020.
- (5) Mr. Suleman was Executive Vice President and Chief Financial Officer until December 31, 2022 and was appointed President and Interim Chief Financial Officer on January 1, 2023.
- (6) Mr. Morris was the Executive Vice President and Chief Operating Officer until December 31, 2022 and was appointed Chief Strategy Officer on January 1, 2023.

Incentive Plan Awards – Option-Based and Share-Based Awards Outstanding

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of share-based awards that have not vested	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Constantine E. Karayannopoulos	53,336 ⁽¹⁾	9.37	Sept 1, 2026	Nil	100,025	708,978	Nil
	61,165	7.24	Aug 11, 2027	Nil			
	65,780	14.29	Aug 31, 2028	Nil			
	53,290	12.18	Mar 27, 2029	Nil			
Rahim Suleman	168,004 ⁽¹⁾	9.37	Sept 1, 2026	Nil	46,725	331,187	Nil
	30,725	14.29	Aug 31, 2028	Nil			
	24,890	12.18	Mar 27, 2029	Nil			
Kevin Morris	168,004 ⁽¹⁾	9.37	Sept 1, 2026	Nil	41,528	294,351	Nil
	27,430	14.29	Aug 31, 2028	Nil			
	22,015	12.18	Mar 27, 2029	Nil			
Jeff Hogan	120,004 ⁽¹⁾	9.37	Sept 1, 2026	Nil	35,570	252,120	Nil
	23,270	14.29	Aug 31, 2028	Nil			
	19,050	12.18	Mar 27, 2029	Nil			
Greg Kroll	60,004	13.17	Sept 12, 2025	Nil	35,570	252,120	Nil
	22,960	14.29	Aug 31, 2028	Nil			
	19,335	12.18	Mar 27, 2029	Nil			

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Notes:

- (1) The number reflects the number of Common Shares issuable on exercise of Legacy Options.
- (2) The value assumes that all options have vested and is calculated based on the share price on December 31, 2022 and using the Bank of Canada exchange rate as at December 31, 2022 of \$1.00 = C\$1.3544.

Incentive Plan Awards – Value Vested or Earned

The following table indicates, for each of the Named Executive Officers, a summary of the value of option-based awards and share-based awards vested in accordance with their terms during the fiscal year ending December 31, 2022.

Name	Option-based awards – Value vested during the fiscal year (\$) ⁽¹⁾	Share-based awards – Value vested during the fiscal year (\$) ⁽²⁾	Non-equity incentive plan compensation – value earned during the fiscal year (\$) ⁽³⁾⁽⁴⁾
Constantine E. Karayannopoulos.....	—	40,435	1,153,891
Rahim Suleman.....	—	18,889	451,310
Kevin Morris.....	—	16,866	488,830
Jeff Hogan.....	—	14,594	339,875
Greg Kroll.....	—	14,121	313,160

Notes:

- (1) Calculated using the share price as of December 31, 2022 less the exercise price of the applicable Option.
- (2) Represents the RSUs and PSUs granted under the Legacy Plan that vested during the year, and is calculated using the share price as of December 31, 2022.
- (3) Represents the annual incentive plan earned for 2022 and paid in 2023, plus the RSUs and PSUs granted under the Prior LTIP that vested during the year and were settled in cash.
- (4) The annual incentive component of non-equity incentive plan compensation for Mr. Karayannopoulos and Mr. Suleman, is calculated in Canadian dollars and has been converted into U.S. dollars for the table above at the Bank of Canada average annual exchange rate for the year ended December 31, 2022 of \$1.00 = C\$1.3013.

Retirement Plan Benefits

All of the Named Executive Officers participate in a defined contribution retirement savings plan. The Corporation together with its affiliates contribute the following amounts directly to the individuals' retirement savings account:

- (1) 5% of combined base salary and bonus (to a maximum of C\$14,605 in 2022) for Mr. Karayannopoulos and Mr. Suleman; and
- (2) 4% of combined base salary and bonus (to a maximum of \$12,200 for 2022) for Mr. Morris, Mr. Hogan and Mr. Kroll.

Defined Contribution Retirement Savings Plan Table

Name	Accumulated Value at Start of Year (\$)	Compensatory Amount (\$) ⁽²⁾	Accumulated Value at Dec. 31, 2022 (\$)
Constantine E. Karayannopoulos ⁽¹⁾	166,488	11,223	172,849
Rahim Suleman ⁽¹⁾	162,133	11,223	159,983
Kevin Morris	535,969	12,200	463,595
Jeff Hogan	1,086,701	12,200	918,086
Greg Kroll.....	1,261,903	12,200	1,046,033

Notes:

- (1) For Messrs. Karayannopoulos and Suleman, the values are shown as converted from Canadian dollars converted into U.S. dollars for the table above at the Bank of Canada average annual exchange rate for the year ended December 31, 2022 of \$1.00 = C\$1.3544.
- (2) Indicates the contributions of the Corporation to a defined contribution retirement savings or 401(k) plan.

Employee Agreements and Termination and Change of Control Benefits

Each of the Named Executive Officers has employment agreements with Neo or a subsidiary thereof, that contain termination payment provisions. These agreements are reviewed from time to time and amended accordingly subject to Board approval.

Constantine E. Karayannopoulos – President and Chief Executive Officer

Constantine E. Karayannopoulos, the President and Chief Executive Officer, entered into an employment agreement with Neo on July 7, 2020, with a 36-month term, which may be extended by mutual agreement for a further 12-month period. The employment agreement provided that Mr. Karayannopoulos would be employed as President and Chief Executive Officer of Neo and its affiliates. On January 1, 2023, Mr. Karayannopoulos ceased to be President following Mr. Suleman's appointment as President and Interim Chief Financial Officer, but continues to serve as the Chief Executive Officer of Neo.

If a "change of control" (as defined in Mr. Karayannopoulos' employment agreement) occurs, the Corporation and Mr. Karayannopoulos agree to make commercially reasonable efforts to agree upon a payment (if any), in cash or otherwise, to be paid to Mr. Karayannopoulos following the completion of the change of control to which such payment relates.

If Neo terminates Mr. Karayannopoulos' employment as a result of the death or willful failure to properly perform his duties, the Corporation shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, vacation pay to the date of termination and reimburse business expenses properly incurred to the date of termination (collectively, the "**Basic Entitlements**"). The Corporation estimates that if Mr. Karayannopoulos' employment had been terminated on December 31, 2022 for the reasons described above, no further payments would have been made to Mr. Karayannopoulos beyond what is due to him up to such date.

Upon the termination by Neo of the employment of Mr. Karayannopoulos without cause or serious reason, Neo shall thereupon pay to him (i) the Basic Entitlements, (ii) any bonus awarded in respect of the fiscal year preceding the year of termination, not yet paid, (iii) his pro-rated bonus for the year in which his employment is terminated, (iv) within 30 days of such termination, a lump sum equivalent of his then annual base salary. The Corporation will also continue to pay the premiums to provide all employee benefits (other than short and long term disability benefits) for the 12 months following the date of termination, and settle any long-term incentive awards in accordance with the provisions of the applicable plans governing such awards. The Corporation estimates that if Mr. Karayannopoulos' employment had been terminated on December 31, 2022 for any of the reasons described above, he would have been entitled to an aggregate payment of up to approximately \$981,900 (excluding supplementary benefits and other perquisites).

In each of the cases described above, the Corporation will settle any long-term incentive awards in accordance with the provisions of the application plan governing such awards.

Rahim Suleman – Executive Vice President and Chief Financial Officer

Rahim Suleman, the Executive Vice President and Chief Financial Officer, entered into an amended and restated employment agreement with Neo on January 1, 2018, with an indefinite term. The employment agreement provides that Mr. Suleman will be employed as Executive Vice President and Chief Financial Officer of Neo and its affiliates. On January 1, 2023, Mr. Suleman ceased to be the Executive Vice President & Chief Financial Officer and was appointed President and Interim Chief Financial Officer.

If Neo terminates Mr. Suleman's employment as a result of the death or disability of Mr. Suleman or willful failure to properly perform his duties, Neo shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, benefits, perquisites and vacation pay to the date of termination. The Corporation estimates that if Mr. Suleman's employment had been terminated on December 31, 2022 for the reasons described above, no further payments would have been made to Mr. Suleman beyond what is due to him on such date.

Upon the termination by Neo of the employment of Mr. Suleman other than for cause or Mr. Suleman terminates his employment for good reason, Neo shall thereupon pay to him (i) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, (ii) over a period of up to 24 months, an amount equal to 18 months of his base salary plus one additional month of salary for every full year of service, and (iii) employee benefits (other than short and long-term disability benefits) for the 24 month period set out in (ii) above. The Corporation estimates that if Mr. Suleman's employment had been terminated on December 31, 2022 for any of the reasons described above, he would have been entitled to an aggregate payment of up to approximately \$796,400 (excluding supplementary benefits and other perquisites).

If, during the 24 months following a "change of control" (as defined in Mr. Suleman's employment agreement), Neo terminates Mr. Suleman's employment, or Mr. Suleman terminates his employment for good reason, Neo shall pay to him a lump sum "change of control" payment equivalent to the aggregate of (i) twice his then current base salary; (ii) the targeted bonus amount for the applicable year, (iii) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, and (iv) employee benefits (other than short and long-term disability benefits) for the 24 month period following the date of retirement. The Corporation currently estimates that in the event that the "change of control" provisions were triggered in 2022 and Mr. Suleman had terminated his employment for good reason in accordance with his employment agreement with an effective date of December 31, 2022, Mr. Suleman would have been entitled to a lump sum "change of control" payment of up to approximately \$1,079,500 (excluding supplementary benefits, value from accelerated equity vesting and other perquisites).

In each of the cases described above, the Corporation will settle any long-term incentive awards in accordance with the provisions of the application plan governing such awards.

Kevin Morris – Executive Vice President and Chief Operating Officer

Kevin Morris, the Executive Vice President and Chief Operating Officer, entered into the third amended and restated employment agreement with Neo Chemicals & Oxides, LLC ("**Neo C&O**") on January 1, 2018, with an indefinite term. The employment agreement provides that Mr. Morris will be employed as Executive Vice President and Chief Operating Officer of Neo and its affiliates. On January 1, 2023, Mr. Morris ceased to be the Executive Vice President and Chief Operating Officer and was appointed Chief Strategy Officer.

If Neo C&O terminates Mr. Morris' employment as a result of the death or disability of Mr. Morris or willful failure to properly perform his duties, Neo C&O shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, benefits, perquisites and vacation to the date of termination. The Corporation estimates that if Mr. Morris' employment had been terminated on December 31, 2022 for the reasons described above, no further payments would have been made to Mr. Morris beyond what is due to him up to such date.

Upon the termination by Neo C&O of the employment of Mr. Morris for other than for cause or Mr. Morris terminates his employment for good reason, Neo C&O shall thereupon pay to him (i) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, (ii) over a period of 24 months, an amount equal to 18 months of his base salary plus one additional month of salary for every full year of service, to a maximum of 24 months, and (iii) employee benefits (other than short and long-term disability benefits) for the 18 month period. The Corporation estimates that if Mr. Morris' employment were to have been terminated on December 31, 2022 for any of the reasons described above, he would have been entitled to an aggregate payment of up to approximately \$947,200 (excluding supplementary benefits and other perquisites).

If, during the 24 months following a "change of control" (as defined in Mr. Morris' employment agreement), Neo C&O terminates Mr. Morris' employment, or Mr. Morris terminates his employment for good reason, Neo C&O shall pay to him a lump sum "change of control" payment equivalent to the aggregate of (i) twice his then current base salary; (ii) the targeted bonus amount for the applicable year, (iii) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, and (iv) employee benefits (other than short and long-term disability benefits) for the 18 month period following the date of retirement. The Corporation currently estimates that in the event that the "change of control" provisions were triggered in 2022 and Mr. Morris had terminated his employment for good reason in accordance with his employment agreement with an effective date of December 31, 2022, Mr. Morris would have been entitled to a lump sum "change of control" payment of up to approximately \$1,222,400 (excluding supplementary benefits value, from accelerated equity vesting and other perquisites).

In each of the cases described above, the Corporation will settle any long-term incentive awards in accordance with the provisions of the application plan governing such awards.

Jeff Hogan – Executive Vice President, Chemicals & Oxides

Jeff Hogan, the Executive Vice President, Chemical & Oxides, entered into the third amended and restated employment agreement with Neo C&O on January 1, 2018, with an indefinite term. The employment agreement provides that Mr. Hogan will be employed as Executive Vice President, Chemicals & Oxides.

If Neo C&O terminates Mr. Hogan's employment as a result of the death or disability of Mr. Hogan or willful failure to properly perform his duties, Neo C&O shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, benefits, perquisites and vacation pay to the date of termination. The Corporation estimates that if Mr. Hogan's employment were to have been terminated on December 31, 2022 for any of the reasons described above, no further payments would be made to Mr. Hogan beyond what is due to him up to such date.

Upon the termination by Neo C&O of the employment of Mr. Hogan other than for cause or Mr. Hogan terminates his employment for good reason, the Corporation shall thereupon pay to him (i) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, (ii) an amount equal to twice his base salary over a period of 24 months, and (iii) employee benefits (other than short and long-term disability benefits) for 18 months. The Corporation estimates that if Mr. Hogan's employment were to have been terminated on December 31, 2022 for the reasons described above, he would have been entitled to an aggregate payment of up to approximately \$826,000 (excluding supplementary benefits and other perquisites).

If, during the 24 months following a "change of control" (as defined in Mr. Hogan's employment agreement), Neo C&O terminates Mr. Hogan's employment, or Mr. Hogan terminates his employment for good reason, Neo C&O shall pay to him a lump sum "change of control" payment equivalent to the aggregate of (i) twice his then current base salary; (ii) the targeted bonus amount for the applicable year, (iii) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, and (iv) employee benefits (other than short and long-term disability benefits) for the 18 month period following the date of retirement. The Corporation currently estimates that in the event that the "change of control" provisions were triggered in 2022 and Mr. Hogan had terminated his employment for good reason in accordance with his employment agreement with an effective date of December 31, 2022, Mr. Hogan would have been entitled to a lump sum "change of control" payment of up to approximately \$1,045,800 (excluding supplementary benefits value accelerated equity vesting and other perquisites).

In each of the cases described above, the Corporation will settle any long-term incentive awards in accordance with the provisions of the application plan governing such awards.

Greg Kroll – Executive Vice President, Magnequench

Greg Kroll, the Executive Vice President, Magnequench, entered into an employment agreement with Neo Singapore on January 1, 2018, with an indefinite term. The employment agreement provides that Mr. Kroll will be employed as Executive Vice President, Magnequench.

If Neo Singapore terminates Mr. Kroll's employment as a result of the death or disability of Mr. Kroll or willful failure to properly perform his duties, Neo Singapore shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, benefits, perquisites and vacation pay to the date of termination. The Corporation estimates that if Mr. Kroll's employment were to have been terminated on December 31, 2022 for any of the reasons described above, no further payments would be made to Mr. Kroll beyond what is due to him up to such date.

Upon the termination by Neo Singapore of the employment of Mr. Kroll other than for cause or Mr. Kroll terminates his employment for good reason, the Corporation shall thereupon pay to him (i) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, (ii) an amount equal to twice his base salary over a period of 24 months, and (iii) employee benefits (other than short and long-term disability benefits) for 18 months. The Corporation estimates that if Mr. Kroll's employment were to have been terminated on December 31, 2022 for the reasons described above, he would have been entitled to an aggregate payment of up to approximately \$837,600 (excluding supplementary benefits and other perquisites).

If, during the 24 months following a "change of control" (as defined in Mr. Kroll's employment agreement), Neo Singapore terminates Mr. Kroll's employment, or Mr. Kroll terminates his employment for good reason, Neo Singapore shall pay to him a lump sum "change of control" payment equivalent to the aggregate of (i) twice his then current base salary; (ii) the targeted bonus amount for the applicable year, (iii) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, and (iv) employee benefits (other than short and long-term disability benefits) for the 18 month period following the date of retirement. The Corporation currently estimates that in the event that the "change of control" provisions were triggered in 2022 and Mr. Kroll had terminated his employment for good reason in accordance with his employment agreement with an effective date of December 31,

2022, Mr. Kroll would have been entitled to a lump sum "change of control" payment of up to approximately \$1,060,700 (excluding supplementary benefits value accelerated equity vesting and other perquisites).

In each of the cases described above, the Corporation will settle any long-term incentive awards in accordance with the provisions of the application plan governing such awards.

Director Compensation

The directors' compensation program is designed to attract and retain qualified individuals to serve on the Board. Non-executive directors are paid an annual retainer fee, with additional amounts paid to each chair of the Board, Compensation and Human Resources Committee and Audit Committee. The Board is satisfied that its fee structure is reasonable for a company that operates in 10 countries and shares many of the complexities of other global multi-national organizations having significantly higher market capitalizations.

Deferred Share Units

On May 9, 2018, the Corporation established a Directors Share Unit Plan (the "**DSU Plan**") for members of the Board. Under the DSU Plan, the Compensation and Human Resources Committee determined, once a year, what portion of the directors' annual remuneration shall be paid as deferred share units ("**DSU**"). DSUs are fully vested upon issuance, and accumulate dividend equivalents in the form of additional DSUs based on the dividends paid on the Common Shares. DSUs are redeemable for cash only following retirement from the Board or death of the director. The value of the DSU when converted to cash will be equivalent to the market value of the Common Shares at the time the conversion takes place. The DSU Plan was replaced by the Omnibus Plan. All outstanding DSUs will continue to be governed by the terms of the DSU Plan, but any DSUs granted in the future will be governed by the Omnibus Plan.

The following table sets out the fee structure of the Board in 2022:

(all figures in US\$)	Cash Portion	DSU Portion	Total
Board Chair Retainer	140,000	100,000	240,000
Non-Executive Board Member Retainer	50,000	75,000	125,000
Lead Director Retainer	50,000	75,000	125,000
Audit Committee Chair Retainer	20,000	Nil	20,000
Audit Committee Member Retainer	7,000	Nil	7,000
Compensation and Human Resources Committee Chair Retainer	10,000	Nil	10,000
Compensation and Human Resources Committee Member Retainer	5,000	Nil	5,000
Corporate Governance and Nominating Committee Chair Retainer	10,000	Nil	10,000
Corporate Governance and Nominating Committee Member Retainer	5,000	Nil	5,000
HESS Committee Chair Retainer	10,000	Nil	10,000
HESS Committee Member Retainer	5,000	Nil	5,000

Notes:

- (1) All directors are entitled to reimbursement of reasonable expenses incurred by them acting in their capacity as directors.
- (2) No directors fees are payable to directors who are executive officers of the Corporation.
- (3) Directors may be entitled to additional fees in the event that any ad hoc or other committees of the Board are struck from time to time.

Director compensation table

Cash fees were paid to non-executive directors in 2022. The directors are reimbursed for miscellaneous out-of-pocket expenses incurred in carrying out their duties as directors.

The following table sets out the total compensation earned by each non-executive director who served in that capacity for any part of the most recently completed financial year:

Name	Fees earned (\$)	Option Based Awards	Share Based Awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	Other Compensation (\$)	Total ⁽²⁾ (\$)
Claire M.C. Kennedy	185,068	Nil	100,000	Nil	Nil	Nil	285,068
Eric Noyrez	103,205	Nil	75,000	Nil	Nil	Nil	178,205
G. Gail Edwards	108,205	Nil	75,000	Nil	Nil	Nil	183,205
Edgar Lee	73,370	Nil	75,000	Nil	Nil	Nil	148,370
Yadin Rozov	26,488	Nil	Nil	Nil	Nil	Nil	26,488

Notes:

- (1) Represents amounts issued as DSUs, payable in cash on retirement or death of the director.
(2) Includes fees payable for sitting on standing, ad hoc and special committees of the Board.

Directors' Incentive Plan Awards – Option-Based and Share-Based Awards Outstanding

Certain directors of Neo Cayman, who are now directors of Neo, were granted Legacy Options, Legacy RSUs and Legacy PSUs in 2016 under the Legacy Plan. See "Other Compensation – The Legacy Plan" to purchase ordinary shares of Neo Cayman pursuant to the Legacy Plan. Since the Corporation has assumed the obligation to issue Common Shares underlying the securities outstanding pursuant to the Legacy Plan, the Legacy Options when exercised, and the Legacy RSUs and Legacy PSUs when vested, will result in the issuance of Common Shares rather than ordinary shares of Neo Cayman.

Name	Option-based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)	Number of share-based awards that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eric Noyrez	33,336	9.37	Sept 1, 2026	Nil	Nil	Nil	Nil

Notes:

- (1) The number reflects the number of Common Shares issuable on exercise of Legacy Options.

Indemnification and Insurance

The Corporation maintains director and officer liability insurance to limit the Corporation's exposure to claims against, and to protect, its directors and officers. In addition, the Corporation or Neo, as the case may be, has entered into indemnification agreements with each of its directors and officers. The indemnification agreements require that the Corporation or Neo, as the case may be, indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, the Corporation's best interests. The indemnification agreements also provide for the advancement of defense expenses to the indemnitees by the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS OF THE CORPORATION

As of December 31, 2022 and of the date of this Information Circular, none of the officers or directors of the Corporation were indebted to the Corporation, other than routine indebtedness (as defined in applicable securities regulations).

CORPORATE GOVERNANCE OF THE CORPORATION

Statement of Corporate Governance Practices

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**Guidelines**") requires certain disclosure regarding the corporate governance practices of the Corporation. The Corporation is pleased to make the following disclosure regarding its corporate governance policies.

The Corporation's articles of incorporation provide that its Board be comprised of a minimum of three and a maximum of 15 directors. In accordance with the OBCA, the Board may appoint one or more additional directors who shall hold office until the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders. Further particulars of the process by which compensation for the executive officers is determined is provided under "*Executive Compensation – Compensation Discussion and Analysis*".

The Corporation's Board is currently comprised of six directors: Claire M.C. Kennedy, Eric Noyrez, Constantine Karayannopoulos, Edgar Lee, G. Gail Edwards and Yadin Rozov.

The Board has established the Audit Committee, the Compensation and Human Resources Committee, the Corporate Governance and Nominating Committee and the HESS Committee and has approved mandates for each of these committees, which are described below. In addition, the Board may appoint ad hoc and special committees from time to time.

The Board has delegated to the applicable committee those duties and responsibilities set out in each committee's mandate. The mandate of the Board, as well as the mandates of various Board committees, set out in writing the responsibilities of the Board and the committees for supervising the Chief Executive Officer.

Board of Directors Mandate

The Board, directly and through its committees, oversees management and is responsible for the stewardship of the Corporation, ensuring that long-term value is being created for all of its shareholders while considering the interests of the Corporation's various stakeholders including shareholders, employees, clients, suppliers and the community.

The responsibilities of the Board include, among other things, ensuring that:

- all Board members understand the business of the Corporation;
- processes are in place to effectively plan, monitor and manage the long-term viability of the Corporation;
- there is a balance between long and short-term goals and risks;
- management's performance is adequate and that an adequate management succession plan is in place;
- communication with shareholders and other stakeholders is timely and effective;
- the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues;
- business is conducted ethically and in compliance with applicable laws and regulations; and

- all matters requiring shareholder approval are referred to the Board.

A copy of the mandate of the Board is attached as Appendix "C" to this Information Circular.

Independence

The Board is comprised of six directors: five of whom are independent of management (being Eric Noyrez, Claire Kennedy, Edgar Lee, G. Gail Edwards and Yadin Rozov) and one of whom (being Constantine Karayannopoulos, the Chief Executive Officer of the Corporation) is not independent.

In addition to chairing all Board meetings, Ms. Kennedy's role as the Chair is to facilitate and chair discussions among the Corporation's independent directors, facilitate communication between the independent directors and the Corporation's management and, if and when necessary, act as a spokesperson on behalf of the Board in dealing with the press and members of the public. The Board holds regularly scheduled meetings as well as ad hoc meetings from time to time. The independent directors of the Corporation hold an in camera session at the end of each regularly scheduled meeting of directors.

The Board recognizes the importance of independent leadership on the Board, and has appointed Eric Noyrez, independent director, as Lead Director. The Board has developed a formal position description for the Lead Director of the Board. The position description for the Lead Director of the Board provides, among other things, that the Lead Director: (i) provides input to the Chair of the Board on preparation of agendas for meetings of the Board; (ii) assists the Chair to endeavour to ensure Board leadership responsibilities are conducted in a manner that allows the Board to function independently of management; (iii) considers, and allows for, when appropriate, a meeting of all independent directors, so that Board meetings can take place without management being present; and (iv) endeavours to ensure reasonable procedures are in place for directors to engage outside advisors at the expense of the Corporation in appropriate circumstances, subject to his or her prior approval.

The Board delegates a number of responsibilities to the Audit Committee, the Compensation and Human Resources Committee, the HESS Committee and the Corporate Governance and Nominating Committee. Where potential conflicts arise during a director's tenure on the Board, such conflicts are expected to be immediately disclosed to the Board.

Audit Committee

The Audit Committee of the Corporation is responsible for the Corporation's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Corporation's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation's external auditors. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors.

Composition of the Audit Committee

As of the date hereof, the Board members of the Corporation's Audit Committee are:

Name	Independent	Financially Literate
G. Gail Edwards (Chair).....	Yes	Yes
Claire Kennedy.....	Yes	Yes
Eric Noyrez.....	Yes	Yes
Yadin Rozov.....	Yes	Yes

Relevant Education and Experience

Name of Member	Relevant Experience and Qualifications
G. Gail Edwards (Chair)	<p>Gail Edwards has been a director of Neo since June 2019 and is Chair of the Audit Committee. She is a C-suite financial and real estate executive who is currently a director of Amica Senior Lifestyles and Chair of the Audit Committee, as well as a director and Audit Committee Chair of Victory Holdco LLP, based in New York. Ms. Edwards is also a member of the Real Estate Advisory Committee (REAC) for OP Trust, which manages one of Canada's largest pension funds, and a member of the REAC of the New York State Common Retirement Fund which manages funds in excess of US\$250 billion. Ms. Edwards has held executive management positions with the Minto Group, JH Investments Inc., a New York based real estate developer, a NYSE listed entertainment company, a U.S. based global food service and hospitality company and a Canadian banking institution. Ms. Edwards has her ICD.D designation and is a Canadian Chartered Accountant holding a Bachelor of Science degree in Mathematics from the University of Western Ontario.</p>
Claire Kennedy	<p>Ms. Kennedy has been a director of Neo since October 2017. Ms. Kennedy was a member of the board of directors of NEM from February 2010 to June 2012 and served on the Audit Committee. Ms. Kennedy is a lawyer and Senior Advisor, Clients and Industries in the Toronto office of Bennett Jones LLP. Ms. Kennedy is Lead Director of the Bank of Canada. She is also a director of Alamos Gold Inc., and serves as Audit Committee Chair, and is a director of Constellation Software Inc. She is also a member of the Dean's Advisory Committee at the Rotman School of Management. Ms. Kennedy was formerly Chair of the Governing Council of the University of Toronto and a director of Neo Material Technologies Inc. Ms. Kennedy holds a Bachelor of Applied Science degree in chemical engineering from the University of Toronto, a law degree from Queen's University, and has completed the University of Chicago's Booth School of Business Advanced Management Program. She was a partner of Bennett Jones LLP until July 2019 when she became Senior Advisor. She also holds the ICD.D designation from the Institute of Corporate Directors and the P.Eng. designation from Professional Engineers Ontario.</p>
Eric Noyrez	<p>Mr. Noyrez has been an independent and Lead Director of Neo since October 2017, and prior to which he was an independent director of Neo C&O since August 31, 2016. Since October 2018, he has served as the Chief Executive Officer of, and later as an advisor to, Serra Verde Mineracao, a company aiming at developing and producing a rare earths concentrate. Since 2014, he acted as a board member and advisor for various entities. From February 2010 to June 2014, he served successive roles from Chief Operating Officer to Director and Chief Executive Officer at Lynas Corporation, an integrated rare earth mining and separation company. Prior to Lynas, he served as President of the SILCEA division of Rhodia (named Solvay S.A. now) and before 2000, spent 11 years in different business leadership roles at Shell. Eric started his career as an automotive designer at Peugeot-Citroën. He holds a Master's Degree in Engineering (M. Eng) from École des Mines de Douai, France.</p>

Name of Member	Relevant Experience and Qualifications
Yadin Rozov	Mr. Rozov is an investment professional with over 20 years of experience in capital markets, corporate finance, investment banking, and investment management with substantial experience in corporate strategy and governance. He is the founder and Managing Partner of Terrace Edge Ventures LLC, a financial advisory firm. Previously, Mr. Rozov was a Partner of GoldenTree Asset Management LLC, a leading global credit asset management firm, where he also served as the Chief Executive Officer and President of Syncora Guarantee Inc. and Chief Executive Officer of Financial Guaranty UK Ltd, each of which are stand-alone specialty insurance companies owned by GoldenTree. Additionally, he was a Partner and Managing Director at Moelis & Company where he headed the Financial Institution Advisory group. While at Moelis, Mr. Rozov helped co-found College Avenue Student Loans LLC and served on its board and co-founded Chamonix Partners Capital Management LLC. Before Moelis, Mr. Rozov was a Managing Director at UBS AG, where he was the Head of the Americas for the Repositioning Group. He also serves on the Board of Directors of Midwest Holding, Inc. and Oramed Pharmaceuticals, Inc. Mr. Rozov earned an M.Sc. in data science from Columbia University and a bachelor's degree with highest honors in physics and materials engineering from Rutgers University.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

Audit Fees

The aggregate fees billed by the Corporation's external auditor for audit fees in the last two fiscal years are approximately as follows:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2021	\$2,062,524	\$5,061	\$80,995	\$320,750
December 31, 2022	\$1,835,919	\$159,303	\$79,190	\$197,594

The nature of the category and description of fees is summarized below.

Audit Fees. The fees disclosed in the table above under the item "Audit Fees" represent fees billed for audit and interim review services performed in connection with Neo's consolidated financial statements, as well as consent procedures in respect of the primary and secondary offerings.

Audit Related Fees. The fees disclosed in the table above under the item "Audit Related Fees" represent fees related to assurance, due diligence and related services not included in audit services.

Tax Fees. These fees were for tax compliance services for corporation tax filings.

All Other Fees. These fees were form tax advisory services, including transfer pricing documentation and other advisory services.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is currently composed of three independent directors. This Committee is responsible for: (i) making recommendations to the full Board with respect to developments in the area of corporate governance and the practices of the Board; (ii) developing the Corporation's approach to governance issues; and (iii) reporting to the Board with respect to appropriate candidates for nominations to the Board, and for evaluating the performance of the Board.

HESS Committee

The primary function of the Health, Environment, Safety and Sustainability ("**HESS**") Committee of the Board is to assist the Board in fulfilling its oversight responsibilities relating to the Company's policies, standards, goals and objectives, and compliance systems regarding HESS matters. The HESS Committee shall provide oversight on work relative to: (i) the protection of the health and safety of employees, contractors, customers, and the public; (ii) the protection of Company property; (iii) the protection of the environment and; (iv) the promotion of sustainable business practices.

Orientation and Continuing Education

New directors of the Corporation will participate in an initial information session on the Corporation in the presence of its senior executive officers to learn about, among other things, the business of the Corporation, its financial situation and its strategic planning. In addition, new directors will be furnished with appropriate documentation, providing them with information about, among other matters, the corporate governance practices of the Corporation, the structure of the Board and its committees, the Corporation's history, its commercial activities, its corporate organization, the charters of the Board and its committees, the Corporation's articles of incorporation and by-laws, the Code of Conduct (as defined below) and other relevant corporate policies.

The Corporation encourages all directors to attend continuing education programs and intends to facilitate such continuing education of its directors by providing them with information on upcoming courses and seminars that may be relevant to their role as directors or hosting brief information sessions during Board meetings by invited external advisors. In addition, the Corporation's management periodically makes presentations to the directors on various topics, trends and issues related to the Corporation's activities during meetings of the Board or its committees, which is intended to help the directors to constantly improve their knowledge about the Corporation and its business.

Ethical Business Conduct

The Board has adopted a written Code of Conduct (the "**Code of Conduct**") that applies to all of its directors, officers and employees, as well as its direct and indirect subsidiaries. The objective of the Code of Conduct is to provide guidelines for demonstrating the highest standard of business conduct and enhancing its reputation for honesty, integrity and the faithful performance of undertakings. The Code of Conduct addresses maintaining a positive work environment, conflicts of interest, confidentiality, use and protection of the Corporation's assets and inventions, use of the Corporation's email and Internet services, financial integrity, compliance with laws and reporting misconduct. As part of its Code of Conduct, any person subject to the Code of Conduct is required to avoid any activity, interest (financial or otherwise) or relationship that would create or appear to create a conflict of interest.

The directors are responsible for monitoring compliance with the Code of Conduct, for regularly assessing its adequacy, for interpreting the Code of Conduct in any particular situation and for approving changes to the Code of Conduct from time to time. As part of the Board monitoring compliance with the Code of Conduct, the Corporation has established procedures by which employees can make a confidential report of wrongdoing or suspected wrongdoing through a third party corporation. The Board receives and reviews such reports on a regular basis.

Directors and executive officers are required by applicable law and the Corporation's corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

A copy of the Code of Conduct may be obtained free of charge by contacting the Corporation and is available for review under the Corporation's profile on the SEDAR website at www.sedar.com.

The Corporation has also adopted a disclosure policy, which complements the obligations of its directors, officers and employees under the Code of Conduct.

Assessments

The Board does not formally review the contribution and effectiveness of the Board, its members or committees. The Board believes that its size facilitates an informal review process through discussion and evaluation between the Chair of the Board, the Lead Director, the Chief Executive Officer and the Chair of the Compensation and Human Resources Committee.

Majority Voting Policy

In accordance with the requirements of the TSX, the Corporation has adopted a majority voting policy in director elections that will apply at any meeting of its shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation as a director to the Chair of the Board promptly following the applicable shareholders' meeting. Following receipt of the resignation, the Board will consider whether or not to accept the offer of resignation, and will do so absent exceptional circumstances. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose its decision whether or not to accept the applicable director's resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board at which the resignation is considered.

Board Removal

The Corporation has not adopted term limits or other mechanisms of Board renewal for directors of the Corporation. The Board believes that the need to have experienced directors who are familiar with the business of the Corporation must be balanced with the need for renewal, fresh perspectives and a healthy skepticism when assessing management and its recommendations. In addition, as mentioned above, the Board undertakes an assessment process that evaluates its effectiveness.

While term limits can help ensure the Board gains fresh perspective, the Board believes that term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and thereby provide an increasing contribution to the Board as a whole.

Board and Executive Officer Diversity

The Corporation recognizes and embraces the benefits of having diversity on the Board and in its senior management. Presently, the Corporation has two female directors, representing approximately one-third of the directors independent of management of the Corporation.

The Corporation also recognizes that the Board and its senior management appointments must be based on performance, ability, merit and potential. Therefore, the Corporation ensures a merit-based competitive process for appointments. The Corporation's commitment to diversity will include ensuring that diversity is fully considered by the Board in identifying, evaluating and recommending Board appointees/nominees. Accordingly, the Corporation has not adopted a diversity policy at this time.

With respect to the Board composition, as appropriate, the Board will: (i) assess the effectiveness of the Board appointment/nomination process at achieving the Corporation's diversity objectives; and (ii) consider and, if determined advisable, recommend for adoption, measurable objectives for achieving diversity on the Board. At any given time, the Board may seek to adjust one or more objectives concerning diversity and measure progress accordingly.

By-Laws

Advance Notice Provisions

The by-laws of the Corporation include certain advance notice provisions with respect to the election of directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Corporation prior notice, in the prescribed form, within the prescribed time periods. These time periods include: (i) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy-related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

The by-laws of the Corporation include a forum selection provision in its by-laws that provides that, unless the Corporation consents in writing to the selection of an alternative forum, the Superior Court of Ontario (Commercial List), Canada and the appellate courts therefrom will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on the Corporation's behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of the Corporation's directors, officers, or other employees to the Corporation; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the applicable corporate laws or the articles of incorporation or the by-laws of the Corporation (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but excluding claims related to the business carried on by the Corporation or its affiliates and their respective shareholders, directors and/or officers. The forum selection provision also provides that the Corporation's securityholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set out below is information as of December 31, 2022 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Equity Compensation Plan Information

As at December 31, 2022, the maximum number of securities available to be issued pursuant to the Omnibus Plan are set out below:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at December 31, 2022 (a)	Weighted average exercise price of outstanding options, warrants and rights as at December 31, 2022 (C\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at December 31, 2022 (c)
Omnibus Plan	840,347		1,736,589
Option Plan	121,169		-
Legacy Plan	697,354		-
Total	1,658,870	10.96	1,736,589

DIRECTOR'S AND OFFICER'S INSURANCE

The Corporation has purchased, at its expense, director's and officer's liability insurance in the aggregate amount of US\$50 million for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Corporation and its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, no person who has been a director or executive officer of the Corporation since the beginning of the last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as stated below or elsewhere in this Information Circular, no informed person, director, executive officer, nominee for director, any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation, nor any associated or affiliate of such persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation.

OTHER BUSINESS

Management of the Corporation knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if matters not now known to management should come before the Meeting, Common Shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the nominees voting same.

PART IV ADDITIONAL INFORMATION

A copy of the following documents may be obtained, without charge, upon request to the Secretary, Neo Performance Materials Inc., Suite 1740, 121 King Street West, Toronto, Ontario, M5H 3T9, telephone (416) 367-8588, facsimile (416) 367-5471:

- (a) the Financial Statements of the Corporation for the year ended December 31, 2022 and the management's discussion and analysis thereof; and

(b) this Information Circular.

Additional information relating to the Corporation is available online from the Corporation's website at www.neomaterials.com and on SEDAR at www.sedar.com. Financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for its most recently completed financial year, a copy of which can be accessed online from the Corporation's website at www.neomaterials.com and on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Information Circular and the sending of it to the Shareholders of the Corporation, to each director of the Corporation, to the auditor of the Corporation and to the appropriate governmental agencies have been approved by the Board.

Unless otherwise noted, the information contained herein is given as of April 25, 2023.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: April 25, 2023.

By Order of the Board

/s/ "**Constantine E. Karayannopoulos**"

Chief Executive Officer

/s/ "**Alexander D. Caldwell**"

Corporate Secretary

APPENDIX "A"

GLOSSARY OF TERMS

"**Arrangement**" means the Cayman Islands scheme of arrangement completed on November 30, 2017, pursuant to which the Corporation acquired all of the issued and outstanding ordinary shares of Neo Cayman for an aggregate of 39,878,383 Common Shares;

"**Articles**" means the articles of continuance of the Corporation, as amended from time to time;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means a day, other than Saturdays, Sundays and statutory holidays, when the banks conducting business in the City of Toronto are generally open for the transaction of banking business;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Corporation**" means Neo Performance Materials Inc.;

"**Information Circular**" means the management information circular of the Corporation dated April 25, 2023;

"**Legacy Plan**" means the management incentive plan of Neo Cayman;

"**Meeting**" means the annual general meeting of Shareholders to be held on June 8, 2023 and any adjournment or postponement thereof;

"**Molycorp Acquisition**" means the acquisition of NEM by Molycorp Inc. by way of plan of arrangement, which became effective on June 11, 2012;

"**NEM**" means Neo Material Technologies Inc., the predecessor entity to Neo Cayman, which was acquired by Molycorp Inc., in the Molycorp Acquisition;

"**Neo Cayman**" means Neo Cayman Holdings Ltd., a company organized under the laws of the Cayman Islands, which the Corporation acquired pursuant to the Arrangement;

"**Neo C&O**" means Neo Chemicals and Oxides, LLC, an indirect subsidiary of the Corporation;

"**Notice of Meeting**" means the notice of meeting sent to Shareholders in respect of the Meeting;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended from time to time;

"**Omnibus Plan**" means the omnibus long-term incentive plan of the Company adopted by the Board on May 28, 2021 and to be approved by Shareholders at the Meeting;

"**Option Plan**" means the option plan of the Corporation dated October 13, 2017;

"**Reorganization**" means the reorganization of the business of Molycorp, Inc., a predecessor company to the Corporation, under Chapter 11 of Title 11 of the United States Bankruptcy Code;

"**Shareholders**" means holders of Common Shares; and

"**TSX**" means the Toronto Stock Exchange.

APPENDIX "B"

**RESOLUTION RESPECTING THE ADOPTION
AND RATIFICATION
OF THE AMENDED & RESTATED SHAREHOLDER RIGHTS PLAN**

BE IT RESOLVED THAT:

1. the Amended and Restated Shareholder Rights Plan Agreement to be dated on or about June 8, 2023 between the Corporation and Computershare Investor Services Inc. is hereby approved, ratified and confirmed; and
2. any two of the directors or officers of the Corporation, be and are hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Corporation or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as they shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX "C"

Neo Performance Materials Inc. (the "Company")

MANDATE OF THE BOARD OF DIRECTORS

As approved by the Board of Directors of the Company (the "**Board**") on November 7, 2017, as amended by same on May 11, 2021.

A. MANDATE

The Board directly, and through its committees, oversees the management of the Company and is responsible for the stewardship of the Company, ensuring that long-term value is being created for all of its shareholders while considering the interests of the Company's various stakeholders including employees, customers, suppliers and the community.

B. BOARD COMPOSITION

The number of directors may be set from time to time by the Board within the minimum and maximum numbers approved by the Company's shareholders and as set out in the Company's constating documents. The directors shall be elected by the Company's shareholders, except as permitted by the *Business Corporations Act* (Ontario). If a vacancy occurs, the Board may identify, select and approve a replacement director, or may decide to reduce the size of the Board. The Board shall be comprised of an appropriate mix of directors to comply with applicable securities regulations, including any requirements in terms of director independence. A director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The Board will appoint a Chair (the "**Chair**") and a Corporate Secretary. The Chair shall be designated from among the members of the Board. If the Chair is not independent for the purposes of NI 58-101, then a majority of the Board's independent directors shall appoint an independent lead director (the "**Lead Director**") from among the directors, who shall serve for such term as the Board may determine. The Lead Director or non-executive Chair shall chair any meetings of the independent directors and assume such other responsibilities as the independent directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

C. MEETINGS AND BOARD PROCESS

The Board shall meet at least four times per year, once after each quarter to review financial information and annual continuous disclosure materials required by the Canadian Securities Administrators have been prepared. The Board will meet more frequently if circumstances dictate.

Board meetings will allow for input from all Board members. Any director may request that the Lead Director or non-executive Chair co-ordinate a meeting of the non-executive members of the Board.

The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting. The Board and the Board committees liaison with the Company will be principally through the Company's Chief Executive Officer. The Board may, from time to time, assign specific duties and tasks to individuals or committees.

An Audit Committee, Corporate Governance and Nominating Committee (the "**Corporate Governance Committee**"), HESS (Health, Environmental, Safety and Sustainability) Committee and a Compensation and Human Resources Committee (the "**Compensation and Human Resources Committee**") and together with the Audit Committee, the Corporation Governance Committee and the HESS Committee, the "**Committees**") have been established. Each of the Committees shall operate under a written mandate document approved by the Board.

Periodically the Board will evaluate the effectiveness of the Board as a whole and ensure that appropriate succession plans are in place. This may include reviewing the process for nominating, orienting and remunerating Board members, determining the committees required and changing the mandates for the Committees.

The Board has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The Board has the ability to retain, at the

Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

D. RESPONSIBILITIES

The Board members shall ensure that:

- (a) all Board members understand the business of the Company;
- (b) processes are in place to effectively plan, monitor and manage the long-term viability of the Company;
- (c) there is a balance between long and short-term goals and risks;
- (d) management's performance is adequate and that an adequate management succession plan is in place;
- (e) communication with shareholders and other stakeholders is timely and effective;
- (f) the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues;
- (g) business is conducted ethically and in compliance with applicable laws and regulations; and
- (h) all matters requiring shareholder approval are referred to them.

E. OPERATIONAL MATTERS

In the process of executing its responsibilities the Board will:

- (a) review corporate performance on a quarterly basis;
- (b) review and approve dividend payments, if any;
- (c) review and approve Company banking and borrowing resolutions;
- (d) review and approve any changes in the issued shares;
- (e) review accounting policies, internal control and audit procedures;
- (f) review and approve the annual continuous disclosure materials required by the Canadian Securities Administrators;
- (g) review and approve the annual financial statements and the interim quarterly results;
- (h) recommend to the shareholders the appointment of auditors and their remuneration; and
- (i) provide advice to management.

F. CODE OF CONDUCT

The Board must adopt a written Code of Ethics and Business Conduct (the "**Code**") as part of its efforts to promote a culture of integrity and honesty throughout the Company. The Code will apply to the Board itself and to the Company's management and employees. Only the Board may grant any waivers to the Code. If the Board grants a waiver to the Code, the Board will determine if disclosure of the waiver is necessary in accordance with applicable laws and stock exchange rules. Contents of such disclosure will be in compliance with National Policy 58-201 — *Corporate Governance Guidelines* and NI 58-101.

G. WHISTLEBLOWER POLICY

The Board will, in conjunction with the Audit Committee, establish a whistleblower policy for the Company allowing Company employees, officers, directors and other stakeholders, including the public, to raise, anonymously or not,

questions, complaints or concerns about the Company's practices, including fraud, policy violations, any illegal or unethical conduct and any Company accounting, auditing or internal control matters. The Board will ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

APPENDIX "D"

SUMMARY OF PRINCIPAL TERMS OF THE AMENDED & RESTATED SHAREHOLDER RIGHTS PLAN

This summary is qualified in its entirety by reference to the full text of the amended and restated shareholder rights plan agreement to be dated on or about June 8, 2023 (the "**Effective Time**"), between Neo Performance Materials Inc. (the "**Corporation**") and Computershare Investor Services Inc., as amended from time to time in accordance with its terms (the "**A&R Rights Plan**"). A copy of the A&R Rights Plan is attached as Appendix "E" to this Circular and this summary is qualified in its entirety by reference to the text of the A&R Rights Plan. Capitalized terms used in this summary without express definition have the meanings ascribed thereto in the A&R Rights Plan.

Issue of Rights

The Corporation will issue one right (a "**Right**") in respect of each common share (each a "**Common Share**") of the Corporation outstanding as at the Record Time (as defined in the A&R Rights Plan). The Corporation will issue Rights on the same basis for each Common Share issued after the Record Time but prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined below).

Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the registered ownership of the Common Shares (whether or not evidenced by a certificate representing such Common Shares) and the Rights will not be transferable separate from the Common Shares. From and after the Separation Time, the Rights will be evidenced by separate Rights Certificates which will be transferable separate from and independent of the Common Shares.

Exercise of Rights

Rights are not exercisable before the Separation Time. After the Separation Time and before the Expiration Time, each Right entitles the holder (other than holders described below) to acquire that number of Common Shares having an aggregate Market Price on the date of the occurrence of the Flip-in Event (as defined below) equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (subject to certain anti-dilution adjustments).

Definition of "Acquiring Person"

Subject to certain exceptions, an Acquiring Person is a person who is the Beneficial Owner (as defined below) of 20% or more of the outstanding Common Shares.

Definition of "Beneficial Ownership"

Under the A&R Rights Plan, a person shall be deemed the "**Beneficial Owner**" of, and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**":

1. any securities of which such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person is the owner in law or equity;
2. subject to certain exceptions, any securities as to which such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person has the right to acquire upon the exercise of any Convertible Securities or pursuant to any agreement, arrangement or understanding, in each case if such right is exercisable immediately or within a period of 60 days thereafter; and
3. any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid (as defined in the A&R Rights Plan) made by such person or any Affiliate or Associate of such person or any other person acting jointly or in concert with such person.

However, a person is not deemed the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**" securities under the A&R Rights Plan where:

1. such securities have been agreed to be deposited or tendered pursuant to a Take-over Bid, unless those securities have been taken up or paid for;

2. the holders of such securities have agreed to deposit or tender such securities to a Take-over Bid pursuant to a Permitted Lock-Up Agreement (as defined below);
3. such person is an investment fund or mutual fund manager, a trust company, a statutory body established to manage funds of public bodies, a pension fund or a pension fund administrator or trustee, as long as such person is not making a Take-over Bid or acting jointly or in concert with a person who is making a Take-over Bid, the whole as more fully described in the A&R Rights Plan and subject to certain exceptions set forth therein; or
4. such person is a registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

Definition of "Separation Time"

Separation Time occurs on the tenth trading day after the earlier of the following dates:

1. the first date of the public announcement or disclosure of facts indicating that a person has become an Acquiring Person;
2. the date of the commencement or announcement of the intent of a person to commence a Take-over Bid (other than a Permitted Bid or Competing Permitted Bid (as such terms are defined below) so long as such Take-over Bid continues to satisfy the requirements of a Permitted Bid or a Competing Permitted Bid) or such later date as determined by the board of directors of the Corporation (the "**Board**"); and
3. the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such; or such later date as determined by the Board;

or, in each case, such later date as may be determined by the Board.

Definition of "Expiration Time"

Provided that the A&R Rights Plan is ratified by the requisite majority of Independent Shareholders of the Corporation at the Meeting or any adjournment(s) or postponement(s) thereof, Expiration Time occurs on the date being the earlier of:

1. the time at which the right to exercise Rights is terminated under the terms of the A&R Rights Plan; and
2. the close of business on the date the A&R Rights Plan is first terminated in accordance with its terms and conditions (see "**Term of the Rights Plan**" below).

Definition of "Flip-in Event"

A Flip-in Event occurs when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, any Rights that are beneficially owned by an Acquiring Person or by certain persons related to the Acquiring Person or by persons to whom the Acquiring Person has transferred its Rights will become null and void as a result of which the Acquiring Person's investment in the Corporation would be greatly diluted if a substantial portion of the Rights are exercised after a Flip-in Event occurs.

Definition of "Permitted Bid"

A Permitted Bid is a Take-over Bid made by an Offeror (as defined in the A&R Rights Plan) pursuant to a Take-over Bid circular that complies with the following conditions:

1. the Take-over Bid is made to all registered holders of Common Shares (other than Common Shares held by the Offeror);
2. the Take-over Bid must contain the following irrevocable and unqualified conditions that no Common Shares shall be taken up or paid for:
 - (a) prior to the close of business on a date which is not less than 105 days following the date of the bid, or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of

National Instrument 62-104 – Take-Over Bids and Issuer Bids ("**NI 62-104**") for which a Take-over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and

- (b) unless, at the close of business on the date Common Shares are first taken up or paid for under such bid, more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been tendered or deposited pursuant to the bid and not withdrawn;
- 3. unless the Take-over Bid is withdrawn, Common Shares may be tendered or deposited at any time during the period which applies pursuant to the clause summarized in 2(a) above, and any Common Shares tendered or deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and
- 4. if the condition summarized in 2(b) above is satisfied, the Offeror may announce publicly the extension of the Take-over Bid for a period of not less than ten days from the date of such public announcement;

provided, however, that a Take-over Bid that previously qualified as a Permitted Bid ceases to be a Permitted Bid at any time it no longer meets any of the aforementioned conditions.

Definition of "Competing Permitted Bid"

The A&R Rights Plan allows a competing Permitted Bid (a "**Competing Permitted Bid**") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid other than the requirement that no Common Shares shall be taken up and paid for prior to the close of business on a date which is not less than 105 days following the date of the Permitted Bid. The Competing Permitted Bid shall also contain an irrevocable and unqualified condition that no Common Shares shall be taken up or paid for pursuant to the take-over bid prior to the close of business on the last day of the minimum initial deposit period and that such take-over bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the take-over bid constituting the Competing Bid.

Definition of "Permitted Lock-Up Agreement"

A Permitted Lock-Up Agreement is an agreement between a person making a Take-over Bid (the "**Lock-up Bid**") and one or more holders (each a "**Locked-up Person**") of Common Shares, which is publicly disclosed no later than the date of the Lock-Up Bid and pursuant to which such Locked-up Persons agree to deposit or tender Common Shares to the Lock-up Bid and where the agreement:

- 1. either:
 - (a) permits the Locked-up Person to withdraw Common Shares in order to tender or deposit such Common Shares to another Take-over Bid (or terminate the agreement in order to support another transaction) that represents an offering price for each Common Share that exceeds, or provides a value for each Common Share that is greater than, the offering price or value represented by or proposed to be represented by the Lock-up Bid; or
 - (b) permits the Locked-up Person to withdraw Common Shares in order to tender or deposit such Common Shares to another Take-over Bid (or terminate the agreement in order to support another transaction) that represents an offering price for each Common Share that exceeds, or provides a value for each Common Share that is greater than, the offering price or value, by at least 7% of the offering price or value that is represented by the Lock-up Bid; and
- 2. if entered into in connection with a Lock-Up Bid for less than 100% of the Common Shares held by Independent Shareholders, either:
 - (a) permits the Locked-up Person to withdraw Common Shares in order to tender or deposit such Common Shares to another Take-over Bid (or terminate the agreement in order to support another transaction) if the number of Common Shares to be purchased under such other Take-over Bid or transaction exceeds the number of Common Shares offered to be purchased under the Lock-up Bid, at an offering price for each Common Share that is not less than, and provides a value for each Share that is not less than, the offering price or value represented by the Lock-up Bid; or

- (b) permits the Locked-up Person to withdraw Common Shares in order to tender or deposit such Common Shares to another Take-over Bid (or terminate the agreement in order to support another transaction) if the number of Common Shares to be purchased under such other Take-over Bid or transaction exceeds the number of Common Shares offered to be purchased under the Lock-up Bid by as much or more than a specified number of Common Shares not greater than 7% of the number of Common Shares offered to be purchased under the Lock-up Bid, at an offering price for each Common Share that is not less than, and provides a value for each Share that is not less than, the offering price or value represented by the Lock-up Bid;
- 3. provides for no "break-up" fees, "top-up" fees, penalties, payments, expenses or other amounts that exceed in the aggregate the greater of: (i) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to the Locked-up Person, and (ii) 50% of the amount by which the price or value payable under another Take-over Bid or another transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid, to be payable, directly or indirectly, by such Locked-up Person pursuant to the agreement if any Locked-up Person fails to tender Common Shares pursuant thereto or withdraws Common Shares previously tendered thereto in order to tender such Common Shares to another Take-over Bid or support another transaction.

Fiduciary Duties of Directors

The A&R Rights Plan will not detract from or lessen the duties of the Board, including the duty to act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to the Corporation's shareholders as are considered appropriate.

Redemption of Rights

The Rights may be redeemed by the Board at its option with the prior approval of the shareholders at any time before a Flip-in Event occurs at a redemption price of \$0.000001 per Right. In addition, the Rights will be redeemed automatically in the event of a successful Permitted Bid, Competing Permitted Bid or a bid for which the Board has waived, in accordance with the provisions of the A&R Rights Plan, the operation of the A&R Rights Plan.

Waiver

Before a Flip-in Event occurs, the Board may waive the application of the "**Flip-in**" provisions of the A&R Rights Plan to any prospective Flip-in Event which would occur by reason of a Take-over Bid made by a Take-over Bid circular to all registered holders of Common Shares. However, if the Board waives the A&R Rights Plan with respect to a particular bid, it will be deemed to have waived the A&R Rights Plan with respect to any other Take-over Bid made by Take-over Bid circular to all registered holders of Common Shares before the expiry of that first bid.

The Board may also waive the "**Flip-in**" provisions of the A&R Rights Plan in respect of any Flip-in Event provided that the Board has determined that the Acquiring Person became an Acquiring Person through inadvertence and on the condition that such Acquiring Person reduces its ownership to such a level that it is no longer an Acquiring Person.

Other waivers of the "**Flip-in**" provisions of the A&R Rights Plan will require prior approval of the shareholders of the Corporation.

Term of the A&R Rights Plan

Provided that the A&R Rights Plan is ratified by the requisite majority of Independent Shareholders of the Corporation at the Meeting or any adjournment(s) or postponement(s) thereof, subject to the approval of the Toronto Stock Exchange, the A&R Rights Plan will be in effect until the date of the Corporation's annual meeting of shareholders to be held in 2026, unless terminated earlier in accordance with the terms and conditions of the A&R Rights Plan.

The A&R Rights Plan must be reconfirmed by a resolution passed by the requisite majority of the votes cast by Independent Shareholders at the annual meeting of shareholders of the Corporation to be held in 2026 and at every third annual meeting of shareholders of the Corporation thereafter. If the A&R Rights Plan is not so reconfirmed or is not presented for reconfirmation at such annual meeting, the A&R Rights Plan and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of such annual meeting.

Amending Power

Except for minor amendments to correct clerical or typographical errors and amendments to maintain the validity of the A&R Rights Plan as a result of a change in any applicable legislation or regulations or rules thereunder, consent of Shareholders is required for amendments to the A&R Rights Plan before the Separation Time and consent of the holders of Rights is required for amendments to the A&R Rights Plan after the Separation Time and before the Expiration Time.

Rights Agent

Computershare Investor Services Inc.

Rightholder not a Shareholder

Until a Right is exercised, the holder thereof as such will have no rights as a Shareholder of the Corporation.

APPENDIX "E"
AMENDED & RESTATED SHAREHOLDER RIGHTS PLAN
(see attached)

NEO PERFORMANCE MATERIALS INC.

and

COMPUTERSHARE INVESTOR SERVICES INC.

as Rights Agent

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

June 8, 2023

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AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS AGREEMENT was entered into as of the 20th day of September, 2022, and amended and restated as of the 8th day of June, 2023

BETWEEN:

Neo Performance Materials Inc., a corporation existing under the laws of Ontario

(the “**Corporation**”)

AND:

COMPUTERSHARE INVESTOR SERVICES INC., a trust company existing under the laws of Canada and authorized to carry on the business of a trust company in each of the Provinces and Territories of Canada, as rights agent

(the “**Rights Agent**”, which term shall include any successor Rights Agent hereunder)

WHEREAS the Board of Directors of the Corporation determined that it was advisable and in the best interests of the Corporation to adopt and maintain a shareholder rights plan by adopting a shareholder rights plan agreement dated September 20, 2022 (the “**Original Agreement**”) in order to ensure, to the extent possible: (i) the fair treatment of shareholders of the Corporation in connection with any Offer to Acquire Voting Shares, including in connection with any “creeping” acquisition of Voting Shares or any other Offer to Acquire Voting Shares that is exempt from the take-over bid regime under NI 62-104; and (ii) that the Board of Directors has the opportunity to identify, solicit, develop and negotiate value-enhancing alternatives, as appropriate, to any unsolicited Offer to Acquire Voting Shares;

WHEREAS the Board of Directors of the Corporation authorized the Corporation to seek the consent and approval of the shareholders of the Corporation to amend and restate the Original Agreement, substantially in the form and on the terms provided for in this Agreement, which consent and approval was obtained by the affirmative vote of a majority of the votes cast by the shareholders of the Corporation (other than such shareholders of the Corporation who did not qualify as Independent Shareholders (as hereinafter defined)) on an ordinary resolution that was duly passed at an annual and special meeting of shareholders of the Corporation held on June 8, 2023;

WHEREAS the Board of Directors of the Corporation has determined that it is advisable and in the best interests of the Corporation to implement an amended and restated shareholder rights plan as contemplated herein and the Board of Directors of the Corporation has authorized the issuance of one Right: (i) effective at the Record Time in respect of each Common Share outstanding at the Record Time; and (ii) in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time; and

WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

WHEREAS the Corporation desires to reappoint the Rights Agent to act on behalf of the Corporation, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein; and

WHEREAS the Original Agreement is hereby amended and restated as provided in this Agreement and confirmed in accordance with the terms hereof;

NOW THEREFORE, in consideration of the foregoing premises and the respective covenants and agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Certain Definitions.

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“Acquiring Person”** means any Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term **“Acquiring Person”** shall not include:
 - (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of: (A) a Voting Share Reduction; (B) Permitted Bid Acquisitions; (C) Pro Rata Acquisitions; (D) Exempt Acquisitions; or (E) Convertible Security Acquisitions; provided, however, that if a Person shall become the Beneficial Owner of 20% or more of the then outstanding Voting Shares by reason of one or more or any combination of (A), (B), (C), (D) or (E) above and, while such Person is the Beneficial Owner of 20% or more of the Voting Shares then outstanding, such Person’s Beneficial Ownership of Voting Shares thereafter increases by more than 1% or more of the then outstanding Voting Shares (other than pursuant to one or any combination of (A), (B), (C), (D) or (E) above), then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, such Person shall become an Acquiring Person;
 - (iii) for a period of 10 days after the Disqualification Date (as hereinafter defined), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Section 1.1(e)(vi) solely because such Person makes or announces an intention to make a Take-over Bid, either alone, or by acting jointly or in concert with any other Person. For the purpose of this definition, **“Disqualification Date”** means the first date of public announcement of facts indicating that such Person is making or intends to make a Take-over bid, either alone or by acting jointly or in concert with any other Person;
 - (iv) an underwriter or member of a banking or selling group acting in such capacity that becomes the Beneficial Owner of 20% or more of the Voting Shares from the Corporation in connection with a distribution of securities pursuant to a prospectus or by way of private placement; and

- (v) a Grandfathered Person, provided, however, that if after the Record Time such Grandfathered Person becomes the Beneficial Owner (other than pursuant to any one or a combination of a Voting Share Reduction, Permitted Bid Acquisition, Pro Rata Acquisition, Exempt Acquisition or Convertible Security Acquisition) of additional Voting Shares constituting more than 1% of the number of Voting Shares then outstanding, then as of the date and time such Grandfathered Person becomes the Beneficial Owner of such additional Voting Shares, such Grandfathered Person shall become an Acquiring Person.
- (b) **“Affiliate”** when used to indicate a relationship with a specified Person, means a Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
- (c) **“Agreement”** means this agreement as amended, modified or supplemented from time to time.
- (d) **“Associate”** when used to indicate a relationship with a specified Person, means (i) a spouse of such specified Person, (ii) any Person of the same or opposite sex with whom such specified Person is living in a conjugal relationship outside marriage, or (iii) a relative of such specified Person or of a Person mentioned in clause (i) or (ii) of this definition if that relative has the same residence as the specified Person.
- (e) A Person shall be deemed the **“Beneficial Owner”** of, and to have **“Beneficial Ownership”** of, and to **“Beneficially Own”**:
 - (i) any securities of which such Person or any Affiliate or Associate of such Person is the beneficial owner at law or in equity, directly or indirectly;
 - (ii) any securities as to which such Person or any Affiliate or Associate of such Person has the right or the obligation to acquire or become the owner at law or in equity, upon the exercise of any conversion right, exchange right, share purchase right (other than the Rights), warrants or options or pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (in each case where such right is exercisable immediately or within 60 days of the date of determination of Beneficial Ownership, and whether or not upon conditions or subject to the occurrence of a contingency), other than pursuant to any:
 - (A) customary agreements with and between the Corporation and underwriters and banking or selling group members with respect to a distribution of securities by prospectus or private placement or otherwise;
 - (B) pledges of securities in the ordinary course of business of the pledgee’s business; or
 - (C) agreements between the Corporation and any Person pursuant to an amalgamation, merger, arrangement, business combination or other similar transaction (statutory or otherwise, but for greater certainty not including a Take-over Bid) that is conditional upon the approval of the shareholders of the Corporation to be obtained prior to such Person acquiring such securities; and

- (iii) any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other person acting jointly or in concert with such Person; or
- (iv) any securities that are Beneficially Owned within the meaning of the foregoing provisions of subsections Section 1.1(e)(i), Section 1.1(e)(ii) or Section 1.1(e)(iii) above by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the “**Beneficial Owner**” of, or to have “**Beneficial Ownership**” of, or to “**Beneficially Own**”, any security solely by reason of any one or more of the following circumstances:

- (v) such security has been agreed to be deposited or tendered pursuant to a Permitted Lock-up Agreement or is otherwise deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person acting jointly or in concert with such Person, but only until such time as such deposited or tendered security has been taken up or paid for, whichever shall occur first;
- (vi) such Person, for greater certainty holding such security in the ordinary course of such Person’s business, holds such security, provided that:
 - (A) the ordinary business of that Person (an “**Investment Manager**”) includes the management of pension or mutual or investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager’s duties for the account of any other Person (a “**Client**”) including non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable laws;
 - (B) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable law and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each, an “**Estate Account**”) or in relation to other accounts (each, an “**Other Account**”) and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
 - (C) such Person (the “**Statutory Body**”) is an independent Person established by statute for purposes that include, and the ordinary business or activity of such Person includes, the management of investment funds for employee benefit plans, pension plans, insurance plans of various public bodies and the Statutory Body holds such security for the purposes of its activities as such; or
 - (D) such Person (the “**Plan Administrator**”) is the administrator or the trustee of one or more pension funds or plans registered under the laws

of Canada or any province thereof or the United States or any state thereof (each, a “**Plan**”), or is a Plan;

provided, however, that in any of the foregoing cases, the Investment Manager, the Trust Company, the Statutory Body, the Plan Administrator, the Plan or the Securities Depository, as the case may be, is not then making or has not announced an intention to make, a Take-over Bid, or is not then acting jointly or in concert with any other Person who is making a Take-over Bid or who has announced an intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities of the Corporation (X) by means of a Permitted Bid or a Competing Permitted Bid, or (Y) by means of ordinary market transactions made in the ordinary course of business of such Person (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange, securities quotation system or an organized over-the-counter market;

- (vii) such Person is (A) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (B) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (C) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security; or
 - (viii) such Person is (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (B) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (C) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
 - (ix) such Person is a registered holder of securities as a result of carrying on the business of, or acting as a nominee of, a securities depository.
- (f) “**Board of Directors**” means, at any time, the duly constituted board of directors of the Corporation or, if duly constituted and whenever duly empowered, any committee of the board of directors of the Company.
 - (g) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law to close.
 - (h) “**Canadian Dollar Equivalent**” of any amount which is expressed in United States dollars shall mean on any date the Canadian dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate in effect on such date.
 - (i) “**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto (or, after the Separation Time, the office of the Rights Agent in the City of Toronto) is closed to the public in the city in which such transfer agent or Rights Agent has an office for the purposes of this Agreement; provided, however, that for the purposes of the definitions of “**Competing Permitted Bid**” and “**Permitted Bid**”, “**close of business**” on any day means 11:59 p.m.

(local time at the place of deposit) on such day (or, if such day is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day.

- (j) **“Common Shares”**, when used with reference to the Corporation, means the common shares in the capital of the Corporation as constituted on the Effective Date and any other share of the Corporation into which such common share may be subdivided, consolidated, reclassified or changed.
- (k) **“Competing Permitted Bid”** means a Take-over Bid that is made by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid (each such Permitted Bid or Competing Bid being in this definition, the **“Prior Bid”**) has been made and prior to the expiry, termination or withdrawal of such Prior Bid;
 - (ii) satisfies all the components of the definition of a Permitted Bid provided that it is not required to satisfy the requirement set forth in subsection (ii)(A) thereof; and
 - (iii) contains, and the take up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares shall be taken up or paid for pursuant to such Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-Over Bid constituting the Competing Permitted Bid;

provided, however, that a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such bid ceases to meet any of the requirements of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition.

- (l) **“controlled”**: a Person is “controlled” by another Person or two or more Persons acting jointly or in concert if:
 - (i) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of the directors are held, directly or indirectly, by or for the benefit of the other Person or Persons and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; or
 - (ii) in the case of a Person which is not a body corporate, more than 50% of the voting interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons;

and **“controls”**, **“controlling”** and **“under common control with”** shall be interpreted accordingly.

- (m) **“Convertible Security”** means at any time:

- (i) any right (regardless of whether such right constitutes a security) to acquire Voting Shares from the Corporation; and
- (ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;

in each case pursuant to which the holder thereof may acquire Voting Shares or other securities which are convertible into or exercisable or exchangeable for Voting Shares (whether such right is exercisable immediately or exercisable after a specified period and whether or not on condition or the happening of any contingency).

- (n) **“Convertible Security Acquisition”** means the acquisition of Voting Shares by a Person upon the purchase, exercise, conversion or exchange of Convertible Securities acquired or received by such Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.
- (o) **“Disposition Date”** has the meaning ascribed thereto in Section 5.1(d).
- (p) **“Disqualification Date”** has the meaning ascribed thereto in Section 1.1(a)(iii).
- (q) **“Dividend Reinvestment Plan”** means a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to holders of its Voting Shares where such plan permits the holder to direct that some or all of:
 - (i) dividends paid in respect of Voting Shares;
 - (ii) proceeds of redemption of Voting Shares;
 - (iii) interest paid on evidences of indebtedness of the Corporation; or
 - (iv) optional cash payments;be applied to the purchase from the Corporation of Voting Shares;
- (r) **“Effective Date”** has the meaning ascribed thereto in Section 5.13.
- (s) **“Election to Exercise”** has the meaning ascribed thereto in Section 2.2(d).
- (t) **“Exempt Acquisition”** means an acquisition of Voting Shares or Convertible Securities:
 - (i) in respect of which the Board of Directors has waived the application of Section 3.1 hereof pursuant to the provisions of Section 5.1 hereof;
 - (ii) pursuant to a Dividend Reinvestment Plan;
 - (iii) made as an intermediate step in a series of related transactions in connection with an acquisition by the Corporation or its Subsidiaries of a Person or assets, provided that the Person who acquires such securities distributes or is deemed to distribute such securities to its security holders within 10 Business Days of the completion of such acquisition, and following such distribution no Person has become the Beneficial Owner of 20% or more of the Corporation’s then-outstanding Common Shares;

- (iv) pursuant to a distribution to the public by the Corporation of Voting Shares or Convertible Securities made pursuant to a prospectus provided that the Person in question does not thereby acquire a greater percentage of Voting Shares or Convertible Securities representing the right to acquire Voting Shares than the percentage of Voting Shares such Person Beneficially Owned immediately prior to such acquisition;
 - (v) pursuant to an issuance and sale by the Corporation of Voting Shares or Convertible Securities by way of a private placement by the Corporation, provided that: (A) all necessary stock exchange approvals for such private placement have been obtained and such private placement complies with the terms and conditions of such approvals; and (B) such Person does not become the Beneficial Owner of Voting Shares representing more than twenty-five percent (25%) of the Voting Shares outstanding immediately prior to such private placement, and, in making this determination, the Voting Shares to be issued to such Person in such private placement will be deemed to be held by such Person but will not be included in the aggregate number of Voting Shares outstanding immediately prior to such private placement; or
 - (vi) pursuant to an amalgamation, merger, arrangement, business combination or other similar transaction (statutory or otherwise, but for greater certainty not including a Take-over Bid) requiring approval by shareholders of the Corporation.
- (u) **“Exercise Price”** means, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, the Exercise Price shall be:
- (i) until the Separation Time, an amount equal to five times the Market Price, from time to time, per Voting Share; and
 - (ii) from and after Separation Time, an amount equal to five times the Market Price, as at the Separation Time, per Voting Share.
- (v) **“Expiration Time”** means the close of business on that date that is the earliest of (i) the Termination Time, and (ii) the date of termination of this Agreement pursuant to Section 5.13 or, if this Agreement is confirmed pursuant to Section 5.13, the close of business on the third anniversary of the date hereof.
- (w) **“Flip-in Event”** means a transaction or event in or pursuant to which any Person becomes an Acquiring Person.
- (x) **“Grandfathered Person”** means any Person who is the Beneficial Owner of 20% or more of the then outstanding Voting Shares as determined at the Record Time; provided, however, that for the purposes of this definition a Person shall cease to be a Grandfathered Person in the event that such Person shall, after the Record Time, cease to Beneficially Own 20% or more of the then outstanding Voting Shares.
- (y) **“Independent Shareholders”** means holders of then outstanding Voting Shares, but shall not include:

- (i) any Acquiring Person;
 - (ii) any Offeror, other than a Person referred to in Section 1.1(e)(vi);
 - (iii) any Affiliate or Associate of such Acquiring Person or Offeror;
 - (iv) any Person acting jointly or in concert with such Acquiring Person or Offeror; or
 - (v) any employee benefit plan, share purchase plan, deferred profit sharing plan or other similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation (unless the beneficiaries of such plan or trust direct the manner in which such Voting Shares are to be voted or direct whether the Voting Shares are to be deposited or tendered to a Take-over Bid, in which case such plan or trust shall be considered to be an Independent Shareholder).
- (z) **“Lock-up Bid”** has the meaning ascribed thereto in Section 1.1(kk).
- (aa) **“Locked-up Person”** has the meaning ascribed thereto in Section 1.1(kk).
- (bb) **“Market Price”** per security of any securities on any date of determination shall mean the average of the daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 shall have caused the closing prices used to determine the Market Price on any Trading Day not to be fully comparable with the closing price on such date of determination (or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day), each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in order to make it fully comparable with the closing price on such date of determination (or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day). The closing price per security of any securities on any date shall be:
- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each of such securities as reported by the principal stock exchange or national securities quotation system on which such securities are listed or admitted to trading (provided that, if at the date of determination such securities are listed or admitted to trading on more than one stock exchange or national securities quotation system, then such price or prices shall be determined based upon the stock exchange or quotation system on which such securities are then listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year);
 - (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities quotation system, then the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for each such securities in the over-the-counter market, as quoted by any reporting system then in use; or
 - (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities

quotation system or quoted by any such reporting system, then the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

provided, however, that: (A) if for any reason none of such prices are available on such date, then the “**closing price per security**” of such securities on such date shall mean the fair value per security of the securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker selected by the Board of Directors with respect to the fair value per security of such securities; and (B) if the closing price per security so determined is expressed in United States dollars, then such amount shall be converted to the Canadian Dollar Equivalent.

- (cc) “**NI 62-104**” means National Instrument 62-104 – Take-Over Bids and Issuer Bids.
- (dd) “**OBCA**” shall mean the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, as amended and the regulations thereunder, as from time to time in effect.
- (ee) “**Offer to Acquire**” shall include:
 - (i) (i) an offer to purchase or a solicitation of an offer to sell, or a public announcement of an intention to make such an offer or solicitation; and
 - (ii) (ii) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell.
- (ff) “**Offeror**” means a Person who has announced an intention to make, or who is making, a Take-over Bid, but excluding that Person if the Take-over Bid so announced or made by that Person has been withdrawn, has terminated or has expired.
- (gg) “**Offeror’s Securities**” means the aggregate of the Voting Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire.
- (hh) “**Original Agreement**” has the meaning ascribed thereto in the recitals to this Agreement.
- (ii) “**Permitted Bid**” means a Take-over Bid made by a Person by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of Voting Shares (other than the Offeror and its Affiliates);
 - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited thereunder are subject to, an irrevocable and unqualified condition that no securities shall be taken up or paid for pursuant to the Take-over Bid:
 - (A) prior to the close of business on the date which is not less than one hundred and five (105) days following the date of the Take-over Bid or such shorter minimum period as determined in accordance with section

2.28.2 or section 2.28.3 of NI 62-104 for which a Take-over Bid (that is not exempt from any of the requirements of division 5 (Bid Mechanics) of NI 62-104) must remain open for deposit of securities thereunder; and

- (B) unless, at the close of business on such date in (A), more than 50% of the then outstanding Voting Shares held by Independent Shareholders have been deposited or tendered pursuant to the Take-over Bid and have not been withdrawn;
- (iii) the Take-over Bid contains an irrevocable and unqualified provision that securities may be deposited pursuant to such Take-over Bid at any time during the period of time described in Section 1.1(ii)(ii)(A) above and during any extension of such Take-over Bid and any securities deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (iv) the Take-over Bid contains an irrevocable and unqualified provision that if the requirement set forth in Section 1.1(ii)(ii)(B) is satisfied and such securities are taken up by the Offeror, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 days from the date of such public announcement;

provided, however, that a Take-over Bid that qualified as a Permitted Bid ceases to be a Permitted Bid at any time and as soon as such time when such Take-over Bid ceases to meet any or all of the provisions of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition.

- (jj) **“Permitted Bid Acquisitions”** means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid.
- (kk) **“Permitted Lock-Up Agreement”** means an agreement (the **“Lock-Up Agreement”**) between a Person and one or more holders of Voting Shares and/or Convertible Securities (each a **“Locked-Up Person”**) pursuant to which such Locked-Up Person agrees to deposit or tender Voting Shares and/or Convertible Securities to a Take-over Bid (the **“Lock-Up Bid”**) made or to be made by such Person, any of such Person’s Affiliates or Associates or any other Person referred to in Section 1.1(e)(iv); provided that:
 - (i) the terms of such Lock-Up Agreement are publicly disclosed and a copy is made available to the public (including the Corporation) not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has been made prior to the date on which such Lock-Up Agreement is entered into, not later than the date of such Lock-Up Agreement (or, if the agreement was entered into after the date of the Lock-up Bid, as soon as possible after it is entered into and in any event not later than the date following the date of such agreement);
 - (ii) the Lock-Up Agreement permits such Locked-Up Person to terminate its obligation to deposit or tender to or not to withdraw Voting Shares and/or Convertible Securities from the Lock-Up Bid, and to terminate any obligation with respect to the voting of such securities, in order to deposit or tender such securities to another Take-over Bid or to support another transaction:

(A) where the price or value of the consideration per Voting Share or Convertible Security offered under such other Take-over Bid or transaction:

(X) exceeds the price or value of the consideration per Voting Share and/or Convertible Security offered under the Lock-Up Bid; or

(Y) exceeds by as much as or more than a specified amount (the “**Specified Amount**”) the price or value of the consideration per Voting Share or Convertible Security at which the Locked-Up Person has agreed to deposit or tender Voting Shares and/or Convertible Securities to the Lock-Up Bid, provided that such Specified Amount is not greater than 7% of the price or value of the consideration per Voting Share or Convertible Security offered under the Lock-Up Bid; and

(B) if the number of Voting Shares or Convertible Securities offered to be purchased under the Lock-Up Bid is less than 100% of the Voting Shares or Convertible Securities held by Independent Shareholders, where the price or value of the consideration per Voting Share or Convertible Security offered under such other Take-over Bid or transaction is not less than the price or value of the consideration per Voting Share or Convertible Security offered under the Lock-Up Bid and the number of Voting Shares and/or Convertible Securities to be purchased under such other Take-over Bid or transaction:

(X) exceeds the number of Voting Shares and/or Convertible Securities that the Offeror has offered to purchase under the Lock-Up Bid; or

(Y) exceeds by as much as or more than a specified number (the “**Specified Number**”) the number of Voting Shares or Convertible Securities that the Offeror has offered to purchase under the Lock-Up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Shares or Convertible Securities offered to be purchased under the Lock-Up Bid;

and for greater certainty, such Lock-Up Agreement may contain a right of first refusal or require a period of delay to give the Offeror under the Lock-Up Bid an opportunity to match the higher price, value or number in such other Take-over Bid or transaction, or other similar limitation on a Locked-Up Person’s right to withdraw Voting Shares from the Lock-Up Agreement, so long as the limitation does not preclude the exercise by the Locked-Up Person of the right to withdraw Voting Shares and/or Convertible Securities in sufficient time to deposit or tender to the other Take-over Bid or support the other transaction; and

(iii) no “**break-up**” fees, “**top-up**” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:

(A) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-Up Bid to a Locked-Up Person; and

- (B) 50% of the amount by which the price or value of the consideration payable under another Take-over Bid or other transaction to a Locked-Up Person exceeds the price or value of the consideration that such Locked-Up Person would have received under the Lock-Up Bid;

shall be payable by a Locked-Up Person pursuant to the Lock-Up Agreement in the event that the Locked-Up Bid is not successfully concluded or if any Locked-Up Person fails to deposit or tender Voting Shares and/or Convertible Securities to the Lock-Up Bid or withdraws Voting Shares and/or Convertible Securities previously deposited or tendered thereto in order to deposit or tender to another Take-over Bid or support another transaction.

- (ll) **“Person”** shall include any individual, firm, partnership, limited partnership, limited liability company or partnership, association, trust, trustee, executor, administrator, legal or personal representative, government, governmental body, entity or authority, group, body corporate, corporation, unincorporated organization or association, syndicate, joint venture or any other entity, whether or not having legal personality, and any of the foregoing in any derivative, representative or fiduciary capacity and pronouns have a similar extended meaning.
- (mm) **“Privacy Laws”** has the meaning ascribed thereto in Section 4.6;
- (nn) **“Pro Rata Acquisition”** means the acquisition of Voting Shares pursuant to:
 - (i) a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Voting Shares and/or Convertible Securities on the same pro rata basis as all other holders of Voting Shares and/or Convertible Securities of the same class or series (other than holders resident in a jurisdiction where a distribution is restricted or impracticable as a result of applicable law); or
 - (ii) any other event pursuant to which all holders of Voting Shares and/or Convertible Securities (other than holders resident in a jurisdiction where a distribution is restricted or impracticable as a result of applicable law) are entitled to receive Voting Shares and/or Convertible Securities on the same pro rata basis as all other holders of Voting Shares and/or Convertible Securities of the same class or series, including pursuant to the receipt and/or exercise of rights (other than the Rights) issued by the Corporation and distributed to all holders of a series or class of Voting Shares and/or Convertible Securities to subscribe for or purchase Voting Shares and/or Convertible Securities of the Corporation on a pro rata basis, provided that such rights are acquired directly from the Corporation and not from any other Person; and further provided that such Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such acquisition.
- (oo) **“Record Time”** means 5:00 p.m. (Toronto time) on June 8, 2023.
- (pp) **“Redemption Price”** has the meaning ascribed thereto in Section 5.1.

- (qq) **“regular periodic cash dividends”** means cash dividends paid at regular intervals in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greater of:
- (i) 100% of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year;
 - (ii) 200% of the aggregate amount of cash dividends declared payable by the Corporation on its Common Shares in its immediately preceding fiscal year; and
 - (iii) 300% of the arithmetic mean of the aggregate amounts of cash dividends declared payable by the Corporation on its Common Shares in its three immediately preceding fiscal years divided by the arithmetic mean of the number of Common Shares outstanding as at the end of each of such fiscal years.
- (rr) **“Right”** means a right issued pursuant to this Agreement.
- (ss) **“Rights Certificate”** has the meaning ascribed thereto in Section 2.2(c).
- (tt) **“Rights Register”** has the meaning ascribed thereto in Section 2.6(a).
- (uu) **“Securities Act”** means the *Securities Act* (Ontario), as amended, and the regulations and rules made thereunder, as from time to time in effect.
- (vv) **“Separation Time”** means the close of business on the 10th Trading Day after the earlier of:
- (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement or disclosure of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence, a Take-over Bid (other than a Permitted Bid or Competing Permitted Bid so long as such Take-over Bid continues to satisfy the requirements of a Permitted Bid or Competing Permitted Bid); and
 - (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to be a Permitted Bid or Competing Permitted Bid, as applicable;
- or, in each case, such later date as may be determined by the Board of Directors; provided that, if any Take-over Bid referred to in subsection (ii) of this Section 1.1(vv) or any Permitted Bid or Competing Permitted Bid referred to in subsection (iii) of this Section 1.1(vv) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid, Permitted Bid or Competing Permitted Bid, as the case may be, shall be deemed, for the purposes of this Section 1.1(vv), never to have been made and provided further that if the Board of Directors determines pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event, the Separation Time in respect of such Flip-in Event shall be deemed never to have occurred.
- (ww) **“Specified Amount”** has the meaning ascribed thereto in Section 1.1(kk).
- (xx) **“Specified Number of Shares”** has the meaning ascribed thereto in Section 1.1(kk).

- (yy) **“Stock Acquisition Date”** means the first date of public announcement or disclosure by the Corporation or an Acquiring Person or Offeror of facts indicating that a Person has become an Acquiring Person, which, for the purposes of this definition, shall include, without limitation, a report filed pursuant to Part 5 of NI 62-104, an early warning report filed pursuant to the Securities Act or, if applicable, a report filed pursuant to Section 13(d) under the Securities Exchange Act of 1934 of the United States, or a report filed pursuant to other applicable laws, announcing or disclosing such information.
- (zz) **“Subsidiary”**: a Person shall be deemed to be a Subsidiary of another Person if:
- (i) it is controlled by:
 - (A) that other;
 - (B) that other and one or more Persons each of which is controlled by that other; or
 - (C) two or more Persons each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a Person that is that other’s Subsidiary.
- (aaa) **“Take-over Bid”** means an Offer to Acquire Voting Shares or Convertible Securities (or both) where the securities subject to the Offer to Acquire, together with the Voting Shares into or for which the securities subject to the Offer to Acquire are convertible, exchangeable or exercisable, together with the Offeror’s Securities, constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire.
- (bbb) **“Termination Time”** means the time at which the right to exercise Rights shall terminate pursuant to Section 5.1.
- (ccc) **“Trading Day”**, when used with respect to any securities, means a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange or national securities quotation system, a Business Day.
- (ddd) **“U.S.-Canadian Exchange Rate”** shall mean on any date: (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith.
- (eee) **“Voting Share Reduction”** means an acquisition by the Corporation or a Subsidiary of the Corporation or the redemption by the Corporation of Voting Shares and/or Convertible Securities which, by reducing the number of Voting Shares and/or Convertible Securities outstanding, increases the percentage of outstanding Voting Shares Beneficially Owned by any Person.

- (fff) **“Voting Shares”** means the Common Shares and any other shares of capital stock or voting interests of the Corporation entitled to vote generally in the election of all directors of the Corporation.

Section 1.2 Currency.

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

Section 1.3 Headings.

The division of this Agreement into Articles, Sections and subsections and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless stated otherwise, “Article”, “Section”, “subsection” and “Schedule” followed by a number or letter mean and refer to the specified Article, Section or subsection of or Schedule to this Agreement.

Section 1.4 Number and Gender.

Wherever the context so requires, terms used herein importing the singular number only shall include the plural and vice-versa and words importing only one gender shall include all others.

Section 1.5 Determination of Percentage Ownership

The percentage of outstanding Voting Shares Beneficially Owned by any Person, shall, for the purposes of this Agreement, be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times \frac{A}{B}$$

where:

A = the aggregate number of votes for the election of all directors generally attaching to the outstanding Voting Shares Beneficially Owned by such Person; and

B = the aggregate number of votes for the election of all directors generally attaching to all outstanding Voting Shares.

Where any Person is deemed to Beneficially Own unissued Voting Shares pursuant to Section 1.1(e), such Voting Shares shall be deemed to be outstanding for the purpose of both A and B in the formula above for such Person, but no other unissued Voting Shares shall, for the purposes of this calculation, be deemed to be outstanding.

Section 1.6 Acting Jointly or in Concert.

For the purposes of this Agreement, a Person is acting jointly or in concert with every Person who is a party to an agreement, arrangement, commitment or understanding, whether formal or informal and whether or not in writing, with the first Person or any Associate or Affiliate of the first Person, to acquire or make an Offer to Acquire Voting Shares (other than customary agreements with and between underwriters or banking group members or selling group members with respect to a distribution of securities or to a pledge of securities in the ordinary course of business).

Section 1.7 Statutory References.

Unless the context otherwise requires, any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended, re-enacted or replaced, of if repealed and there shall be no replacement therefor, to the same as it is in effect on the date of this Agreement.

ARTICLE 2 THE RIGHTS

Section 2.1 Legend on Common Share Certificates.

- (a) Certificates issued for Common Shares, including without limitation, Common Shares issued upon the conversion of Convertible Securities, after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and, commencing as soon as reasonably practicable after the effective date of this Agreement, shall have impressed on, printed on, written on or otherwise affixed to them, a legend in substantially the following form:

Until the Separation Time (defined in the Rights Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement, entered into as of September 20, 2022, as amended and restated as of June 8, 2023, and as such may from time to time be further amended, restated, varied or replaced (the “**Rights Agreement**”), between Neo Performance Materials Inc. and Computershare Investor Services Inc., as Rights Agent, the terms of which are hereby incorporated herein by reference and, a copy of which is on file at the principal executive offices of Neo Performance Materials Inc. and is available for viewing at www.sedar.com. Under certain circumstances set out in the Rights Agreement, the rights may be redeemed, may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate.

- (b) Until the earlier of the Separation Time and the Expiration Time, certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of the foregoing legend. Following the Separation Time, Rights will be evidenced by Rights Certificates issued pursuant to Section 2.2.

Section 2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights.

- (a) **Right to entitle holder to purchase one Common Share prior to adjustment.** Subject to adjustment as herein set forth and subject to Section 3.1(a), each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price as at the Business Day immediately preceding the date of exercise of the Right, one Common Share (which price and number of Common Shares are subject to adjustment as set forth below and are subject to Section 3.1(a)). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.

- (b) **Rights not exercisable until Separation Time.** Until the Separation Time, (i) the Rights shall not be exercisable and no Right may be exercised, and (ii) for administrative purposes each Right will be evidenced by the certificates for the associated Common Shares registered in the names of the holders thereof (which certificates shall also be deemed to be Rights Certificates) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Shares.
- (c) **Delivery of Rights Certificate and disclosure statement.** From and after the Separation Time and prior to the Expiration Time, (i) the Rights shall be exercisable, and (ii) the registration and transfer of the Rights shall be separate from, and independent of, Common Shares. Promptly following the Separation Time, the Corporation will prepare and the Rights Agent will mail to each holder of record of Rights as of the Separation Time and, in respect of each Convertible Security converted into Common Shares after the Separation Time and prior to the Expiration Time promptly after such conversion to the holder so converting (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”)) at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (A) a certificate (a “**Rights Certificate**”) in substantially the form of Schedule “A” hereto appropriately completed, representing the number of Rights held by such holder at the Separation Time, and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule, regulation or judicial or administrative order or with any rule or regulation made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (B) a disclosure statement describing the Rights, provided that a Nominee shall be sent the materials provided for in (A) and (B) in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first mentioned Person to furnish it with such information and documentation as the Corporation considers advisable.
- (d) **Exercise of Rights.** Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at the office of the Rights Agent in the City of Toronto or any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation) the Rights Certificate evidencing such Rights together with an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his or her executors or administrators or other legal personal representative or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Corporation and the Rights Agent, accompanied by payment by certified cheque, banker’s draft or money order payable to the order of the Rights Agent (which will promptly submit such payment to the Corporation or as directed by the Corporation), of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the

Rights being exercised, all of the above to be received before the Expiration Time by the Rights Agent at its principal office in any of the cities listed on the Rights Certificate.

- (e) **Duties of Rights Agent upon receipt of Election to Exercise.** Upon receipt of a Rights Certificate, which is accompanied by (i) a completed and duly executed Election to Exercise, and (ii) payment as set forth in Section 2.2(d) above, the Rights Agent (unless otherwise instructed by the Corporation) will thereupon promptly:
 - (i) requisition from the transfer agent for the Common Shares certificates representing the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) after receipt of such certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such registered holder;
 - (iii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
 - (iv) when appropriate, after receipt, deliver such cash (less any amounts required to be withheld) to or to the order of the registered holder of the Rights Certificate; and
 - (v) tender to the Corporation all payments received on exercise of the Rights.
- (f) **Partial Exercise of Rights.** In case the holder of any Rights shall exercise less than all of the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) **Duties of the Corporation.** The Corporation covenants and agrees that it will:
 - (i) take all such action as may be necessary and within its power to ensure that all Common Shares or other securities delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
 - (ii) take all such action as may reasonably be considered to be necessary and within its power to comply with any applicable requirements of the OBCA, the Securities Act and any applicable comparable securities legislation of each of the provinces of Canada, or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares or other securities upon exercise of Rights;
 - (iii) use reasonable efforts to cause, from and after such time as the Rights become exercisable, all Common Shares issued upon exercise of Rights to be listed upon issuance on the principal stock exchange on which the Common Shares are listed or traded at that time;

- (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares, the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
- (v) pay when due and payable any and all applicable Canadian federal and provincial transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates or Certificates for Common Shares issued upon the Exercise of Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares or other securities in a name other than that of the registered holder of the Rights being transferred or exercised; and
- (vi) after the Separation Time, except as permitted by this Agreement, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

Section 2.3 Adjustments to Exercise Price; Number of Rights.

The Exercise Price, the number and kind of Common Shares or other securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3 and in Article 3:

- (a) **Adjustment to Exercise Price upon changes to share capital.** In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
 - (i) declare or pay a dividend on the Common Shares payable in Common Shares or Convertible Securities other than the issue of Common Shares or Convertible Securities to holders of Common Shares in lieu of but not in an amount which exceeds the value of regular periodic cash dividend or other than pursuant to any Dividend Reinvestment Plan;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) combine or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or Convertible Securities) in respect of, in lieu of or in exchange for existing Common Shares, except as otherwise provided in this Section 2.3;

then the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of Common Shares, or other securities, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Exercise Price then in effect, the

aggregate number and kind of Common Shares or other securities, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the Common Share transfer books of the Corporation were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1, the adjustment provided for in this Section 2.3 shall be in addition to and, shall be made prior to, any adjustment required pursuant to Section 3.1.

- (b) **Adjustment to Exercise Price upon issue of rights, options and warrants.** In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or shares having the same rights, privileges and preferences as Common Shares (“**equivalent common shares**”)) or Convertible Securities in respect of Common Shares or equivalent common shares at a price per Common Share or per equivalent common share (or having a conversion price or exchange price or exercise price per share, if a security convertible into or exchangeable for or carrying a right to purchase Common Shares or equivalent common shares) less than 90% of the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares and/or equivalent common shares to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights so to be offered) would purchase at such Market Price per Common Share, and
 - (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares and/or equivalent common shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a certificate filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Such adjustment shall be made successively whenever such a record date is fixed and, in the event that such rights or warrants are not so issued, the Exercise Price shall be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

For purposes of this Agreement, the granting of the right to purchase Common Shares (or equivalent common shares) (whether from treasury shares or otherwise) pursuant to any Dividend Reinvestment Plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the

investment of periodic optional payments and/or employee benefit, stock option or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in the case of any Dividend Reinvestment Plan, the right to purchase Common Shares (or equivalent common shares) is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) **Adjustment to Exercise Price upon Corporate Distributions.** In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for a distribution to all holders of Common Shares (including any such distribution made in connection with a merger, amalgamation, arrangement, plan, compromise or reorganization in which the Corporation is the continuing or successor corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend or a regular periodic cash dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), assets or subscription rights, options or warrants (excluding those referred to in Section 2.3(b) above), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:

- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights, options or warrants applicable to a Common Share; and
- (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

- (d) **De minimis threshold for adjustment to Exercise Price.** Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 2.3 shall be made to the nearest cent or to the nearest one-hundredth of a Common Share or other share, as the case may be. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by this Section 2.3 shall be made no later than the earlier of (i) 3 years from the date of the transaction which mandates such adjustment or (ii) the Expiration Time.
- (e) **Corporation may provide for alternate means of adjustment.** In the event the Corporation shall at any time after the Record Time issue any shares of capital stock (other than Common Shares), or rights or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock, in a transaction referred to in Section 2.3(a)(i) or Section 2.3(a)(iv) or Section 2.3(b) or Section 2.3(c) above, if the Board of Directors acting in good faith determines that the

adjustments contemplated by Section 2.3(a), Section 2.3(b) and Section 2.3(c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Corporation shall be entitled to determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Section 2.3(a), Section 2.3(b) and Section 2.3(c) above, such adjustments, rather than the adjustments contemplated by Section 2.3(a), Section 2.3(b) and Section 2.3(c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement as appropriate to provide for such adjustments.

- (f) **Adjustment to Rights exercisable into shares other than Common Shares.** If as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any shares other than Common Shares, thereafter the number of such other shares so receivable upon exercise of any Right and the Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Common Shares contained in Section 2.3(a), Section 2.3(b), Section 2.3(c), Section 2.3(d), Section 2.3(e), Section 2.3(g), Section 2.3(h), Section 2.3(i), Section 2.3(j), Section 2.3(k) and Section 2.3(l) above and below, as the case may be, and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other shares.
- (g) **Rights to evidence right to purchase Common Shares at adjusted Exercise Price.** Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of such Right, all subject to further adjustment as provided herein.
- (h) **Adjustment to number of Common Shares purchasable upon adjustment to Exercise Price.** Unless the Corporation shall have exercised its election as provided in Section 2.3(i) below, upon each adjustment of the Exercise Price as a result of the calculations made in Section 2.3(b) and Section 2.3(c) above, each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of Common Shares (calculated to the nearest one ten-thousandth) obtained by:
 - (i) multiplying:
 - (x) the number of shares purchasable upon exercise of a Right immediately prior to this adjustment by (y) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price, and
 - (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.
- (i) **Election to adjust number of Rights upon adjustment to Exercise Price.** The Corporation shall be entitled to elect on or after the date of any adjustment of the Exercise Price to adjust the number of Rights, in lieu of any adjustment in the number of Common Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of Common Shares for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become

that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Exercise Price in effect immediately prior to adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Corporation shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day thereafter but, if Rights Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment, of the number of Rights pursuant to this Section 2.3(i), the Corporation shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 5.5, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein and may bear, at the option of the Corporation, the adjusted Exercise Price and shall be registered in the names of the holders of record of Rights Certificates on the record date for the adjustment specified in the public announcement.

- (j) **Rights Certificates may contain Exercise Price before adjustment.** Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per share and the number of shares which were expressed in the initial Rights Certificates issued hereunder.
- (k) **Corporation may in certain cases defer issues of securities.** In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.
- (l) **Corporation has discretion to reduce Exercise Price for tax reasons.** Notwithstanding anything in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment, the Board of Directors shall determine to be advisable in order that any (A) consolidation or subdivision of the Common Shares, (B) issuance of any Common Shares at less than the Market Price, (C) issuance of securities convertible into or exchangeable for Common Shares, (D) stock dividends or (E) issuance of rights, options or warrants, referred to in this Section 2.3 hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.

- (m) **Notice in Respect of Adjustments.** Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon exercise of the Rights is made at any time after the Separation Time pursuant to this Section 2.3, the Corporation shall promptly:
- (i) file with the Rights Agent and with the transfer agent for the Common Shares a certificate specifying the particulars of such adjustment or change; and
 - (ii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights; provided that failure to file such certificate or cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

Section 2.4 Date on Which Exercise is Effective.

Each person in whose name any certificate for Common Shares is issued upon the exercise of Rights, shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

Section 2.5 Execution, Authentication, Delivery and Dating of Rights Certificates.

- (a) The Rights Certificates shall be executed on behalf of the Corporation by its Chair, President, Chief Executive Officer, Vice President or Chief Financial Officer, under its corporate seal reproduced thereon attested by its Corporate Secretary and Vice President, Administration. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and disclosure statements as described in Section 2.2(c), and the Rights Agent shall manually or by facsimile signature countersign and send such Rights Certificates and disclosure statements to the holders of the Rights pursuant to Section 2.2(c). No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

Section 2.6 Registration, Registration of Transfer and Exchange.

- (a) Following the Separation Time, the Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent

is hereby appointed “**Rights Registrar**” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate and subject to the provisions of Section 2.6(c) below and the other provisions of this Agreement, the Corporation will execute and the Rights Agent will countersign, register and deliver, in the name of the holder or the designated transferee or transferees as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the registered holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation or the Rights Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and the Corporation may require payment of a sum sufficient to cover any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

Section 2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates.

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange thereof a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their reasonable satisfaction of the ownership, destruction, loss or theft of any Rights Certificate, and (ii) such indemnity or other security as may be required by each of them in their own discretion to save each of them and any of their agents harmless then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation or the Rights Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and the Corporation may require payment of a sum sufficient to cover any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed lost or stolen Rights Certificate shall be at any time enforceable by anyone, and the holder thereof shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other holders of Rights duly issued by the Corporation.

Section 2.8 Persons Deemed Owners.

Prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent shall be entitled to deem and treat the person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

Section 2.9 Delivery and Cancellation of Rights Certificates.

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9 except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

Section 2.10 Agreement of Rights Holders.

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended or supplemented from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time each Right will be transferable only together with, and will be transferred by a transfer of, the Common Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent shall be entitled to deem and treat the person in whose name the Rights Certificate (or prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership

or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares upon exercise of Right;
- (f) that, in accordance with Section 5.4, without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith this Agreement may be supplemented or amended from time to time pursuant to and as provided herein; and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation, or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

Section 2.11 Rights Certificate Holder not Deemed a Shareholder.

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed to confer upon the holder of any Right or Rights Certificate, as such, any of the rights, titles, benefits or privileges of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares or securities of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3

ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

Section 3.1 Flip-in Event.

- (a) Subject to Section 3.1(b) below, and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective on and after the later of its date of issue and the close of business on the tenth Trading Day following the Stock Acquisition Date, the right to purchase from the Corporation, upon payment of the relevant Exercise Price and otherwise exercising such Right in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of the occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such Right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 upon each

occurrence after the Stock Acquisition Date of any event analogous to any of the events described in Section 2.3).

- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by:
- (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such Acquiring Person, or any Affiliate or Associate of such Person so acting jointly or in concert, or
 - (ii) a transferee or other successor in title, directly or indirectly, (a “**Transferee**”) of Rights held by an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of such Acquiring Person, or of any Affiliate or Associate of such Person so acting jointly or in concert) who becomes a Transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person in a transfer that the Board of Directors, acting in good faith, has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of such Acquiring Person, or any Affiliate or Associate of such Person so acting jointly or in concert), that has the purpose or effect of avoiding the provisions of Section 3.1(b)(i);

shall become null and void without any further action, and any holder of such Rights (including any Transferee) shall not have any rights whatsoever to exercise such Rights under any provision of this Agreement and shall not have thereafter any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not null and void under this Section 3.1(b) shall be deemed to be an Acquiring Person for the purposes of this Section 3.1 and such Rights shall become null and void.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either subsections (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of such Acquiring Person, or of any Affiliate or Associate of such Person so acting jointly or in concert) (as such terms are defined in the Shareholder Rights Plan Agreement). This Rights Certificate and the Rights

represented hereby shall become void in the circumstances specified in subsection 3.1(2) of the Rights Agreement.”

provided that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person (or any Affiliate or Associate of an Acquiring Person, or any Person acting jointly or in concert with an Acquiring Person or any Associate or Affiliate of such Acquiring Person, or any Affiliate or Associate of such Person so acting jointly or in concert).

- (d) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1 including, without limitation, all such acts and things as may be required to satisfy the requirements of the OBCA, the Securities Act, the securities laws or comparable legislation of each of the provinces of Canada and any other applicable laws in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

ARTICLE 4 THE RIGHTS AGENT

Section 4.1 General.

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents as it may deem necessary or desirable, subject to the prior approval of the Rights Agent. In the event the Corporation appoints one or more co-Rights Agents, the respective duties of the Rights Agents and co-Rights Agents shall be as the Corporation may determine, with the approval of the Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses (including reasonable counsel fees and disbursements) incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors or employees) for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares or any Rights Certificate or certificate for other securities of the Corporation, instrument of assignment or transfer,

power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document reasonably believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

Section 4.2 Merger or Amalgamation or Change of Name of Rights Agent.

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 4.3 Duties of Rights Agent.

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, to all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted to be taken by it in good faith and in accordance with such opinion. Subject to the prior written consent of the Corporation, which consent will not be unreasonably withheld, the Rights Agent may also consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under

this Agreement at the expense of the Corporation and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert;

- (b) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proven and established by a certificate signed by a person reasonably believed by the Rights Agent to be Chair, President, Chief Executive Officer, Chief Financial Officer or Corporate Secretary and Vice President, Administration of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder only for events which are the result of its own negligence, bad faith or wilful misconduct and that of its officers, directors and employees;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b)) or any adjustment required under the provisions of Section 2.3 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered or fully paid and non-assessable;
- (f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged, and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person reasonably believed by the Rights Agent to be the Chair, President, Chief Executive Officer, Chief Financial Officer or Corporate Secretary and Vice President, Administration of the Corporation and to apply to such persons for advice or instructions in connection with its duties, and it shall

not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such person. It is understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions;

- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and
- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or, by or through its attorneys or agents. The Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

Section 4.4 Change of Rights Agent.

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Voting Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.8 (all of which shall be at the expense of the Corporation). The Corporation may remove the Rights Agent upon 30 days' notice in writing, given to the Rights Agent and to each transfer agent of the Voting Shares by registered or certified mail and to the holders of the Rights in accordance with Section 5.8. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate for inspection by the Corporation), then the Rights Agent or the holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in all the Provinces and Territories of Canada. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receiving from the Corporation payment in full of all amounts outstanding under this Agreement, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Voting Shares, and mail a notice thereof in writing to the holders of the Rights. The cost of giving any notice required under this Section 4.4 shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4 however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 4.5 Compliance with Anti-Money Laundering Legislation.

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist financing legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under the Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided that: (i) the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 day period, then such resignation shall not be effective.

Section 4.6 Compliance with Privacy Legislation.

The parties acknowledge that the federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under applicable Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with applicable Privacy Laws.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Redemption and Waiver

- (a) Subject to the prior consent of the holders of Voting Shares or Rights obtained as set forth in Section 5.4(c) or Section 5.4(d) hereof, as applicable, the Board of Directors acting in good faith may, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.000001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in the event that an event of the type described in Section 2.3 hereof shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) Subject to the prior consent of the holders of Voting Shares obtained as set forth in Section 5.4(c) hereof, the Board of Directors may, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 hereof has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Voting Shares and otherwise than in the circumstances set forth in Section 5.1(d) hereof, waive the application of Section 3.1 hereof to such Flip-in Event. In such event, the Board of Directors shall extend the Separation Time to a date at least ten (10) Business Days subsequent to the meeting of shareholders called to approve such waiver.

- (c) The Board of Directors acting in good faith, may, prior to the occurrence of a Flip-in Event, and upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 hereof to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Voting Shares; provided that if the Board of Directors waives the application of Section 3.1 hereof to a particular Flip-in Event pursuant to this Section 5.1(c), the Board of Directors shall be deemed to have waived the application of Section 3.1 hereof to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a Take-over Bid circular to all registered holders of Voting Shares prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been granted, pursuant to this Section 5.1(c).
- (d) The Board of Directors may, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 hereof in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Stock Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Section 5.1(d) must be on the condition that such Person, within fourteen (14) days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “**Disposition Date**”), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 hereof shall apply thereto.
- (e) Where a Person acquires pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Section 5.1(c) above, outstanding Voting Shares and/or Convertible Securities, other than Voting Shares Beneficially Owned at the date of the Permitted Bid, the Competing Permitted Bid or the Exempt Acquisition under Section 5.1(c) by such Person, then the Board of Directors of the Corporation shall immediately upon the consummation of such acquisition without further formality, including any approval under Section 5.1(a), be deemed to have elected to redeem the Rights at the Redemption Price.
- (f) If the Corporation is deemed under Section 5.1(e) above to redeem the Rights, or if the Board of Directors elects under Section 5.1(a) above or Section 5.1(h) below to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and each Right will after redemption be null and void and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (g) Within ten (10) days after the Corporation is deemed under Section 5.1(e) above to redeem the Rights, or the Board of Directors elects under Section 5.1(a) above or Section 5.1(h) below to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to all such holders at their last address as they appear upon the Rights Register or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem,

acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 and other than in connection with the purchase of Common Shares prior to the Separation Time.

- (h) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- (i) Notwithstanding the Rights being redeemed pursuant to Section 5.1(h) above, all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred and the Rights shall remain attached to outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.

Section 5.2 Expiration.

No person shall have any rights whatsoever pursuant to or arising out of this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a).

Section 5.3 Issuance of New Rights Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

Section 5.4 Supplements and Amendments.

- (a) The Corporation may from time to time supplement, amend or amend and restate this Agreement without the approval of any holders of Rights or Voting Shares to correct any clerical or typographical error or to maintain the validity of the Agreement as a result of a change in or in the interpretation of any applicable legislation or regulations or rules thereunder. The Corporation may, prior to the date of the 2023 shareholders' meeting, further supplement or amend this Agreement without the approval of any holders of Rights or Voting Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable (provided that such action would not materially adversely affect the interests of the holders of Rights generally). Notwithstanding anything in this Section 5.4 to the contrary, no supplement, amendment, or amendments and restatements shall be made to the provisions of Article 4 hereof except with the written concurrence of the Rights Agent to such supplement, amendment, or amendments and restatements.
- (b) Subject to Section 5.4(a) above, the Corporation may, with the prior consent of the holders of the Voting Shares obtained as set forth below, at any time prior to the Separation Time amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the

votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the requirements in the articles and by-laws of the Corporation.

- (c) The Corporation may, with the prior consent of the holders of Rights, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally).
- (d) Any consent or approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the OBCA with respect to a meeting of shareholders of the Corporation.
- (e) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, variation or deletion to this Agreement as referred to in this Section 5.4 within 5 days of effecting such amendment, variation or deletion.
- (f) Any supplements, amendments, or amendments and restatements made by the Corporation to this Agreement pursuant to Section 5.4(a) above which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation or regulations or rules thereunder shall:
 - (i) if made before the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Section 5.4(b) above confirm or reject such amendment; and
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d) above, confirm or reject such amendment.

A supplement, amendment, or amendment and restatement of the nature referred to in this Section 5.4(f) shall be effective from the date of the resolution of the Board of Directors adopting such supplement, amendment, or amendment and restatement until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such supplement, amendment, or amendment and restatement is confirmed, it continues in effect in the form so confirmed. If such supplement, amendment, or amendment and restatement is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such supplement, amendment, or amendment and restatement shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend, vary or delete any provision of this Agreement to substantially the same

effect shall be effective until confirmed by the shareholders or holders of Rights, as the case may be.

Section 5.5 Fractional Rights and Fractional Shares.

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. Any such fractional Right shall be null and void and the Corporation will not have any obligation or liability in respect thereof.
- (b) The Corporation shall not be required to issue fractions of Common Shares or other securities upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares or other securities. In lieu of issuing fractional Common Shares or other securities, the Corporation shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Common Share. The Rights Agent shall have no obligation to make any payments in lieu of fractional Common Shares unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).

Section 5.6 Rights of Action.

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective registered holders of the Rights; and any registered holder of any Rights, without the consent of the Rights Agent or of the registered holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 5.7 Notice of Proposed Actions.

If after the Separation Time and prior to the Expiration Time:

- (a) there shall occur an adjustment to the Rights pursuant to Section 3.1 as a result of the occurrence of a Flip-In Event; or
- (b) the Corporation proposes to effect the liquidation, dissolution or winding-up of the Corporation or the sale of all or substantially all of the Corporation's assets;

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.8, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, winding up, or sale is to take place, and such notice shall be so given within 10 Business Days after the occurrence of such an adjustment to the Rights referred to in Section 5.7(a), or at least 20 Business Days prior to the date of taking of such proposed action referred to in Section 5.7(b).

Section 5.8 Notices.

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Neo Performance Materials Inc.
121 King Street West, Suite 1740
Toronto, ON
M5H 3T9
Attention: Corporate Secretary and Vice President, Administration

- (b) Any notice or demand authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Corporation) as follows:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, ON
M5J 2Y1
Attention: Laura Stone, Relationship Manager

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the Rights Register or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Notwithstanding the foregoing provisions of this Section 5.8, if mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may give such notice by means of a publication in the business section of the Globe and Mail or in such other publications as may be designated by the Corporation.

Section 5.9 Successors.

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

Section 5.10 Benefits of this Agreement.

This Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights; nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement.

Section 5.11 Governing Law.

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such province and the federal laws of Canada applicable therein.

Section 5.12 Severability.

If any Section, subsection, term or provision hereof or the application thereof to any circumstances or any right hereunder shall, in any jurisdiction and to any extent, be invalid or unenforceable, such Section, subsection, term or provision or such right shall be ineffective only in such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining Sections, subsections, terms and provisions hereof or rights hereunder in such jurisdiction or the application of such Section, subsection, term or provision or rights hereunder in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

Section 5.13 Effective Date.

- (a) This Agreement is effective and in full force and effect in accordance with its terms and conditions from and after the date hereof (the “**Effective Date**”). This Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the Expiration Time.
- (b) Notwithstanding Section 5.13(a), if this Agreement is not approved by resolution passed by a majority of the votes cast by Independent Shareholders (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) who vote in respect of such approval at the 2023 annual and special meeting of shareholders of the Corporation, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect from and after the end of such meeting of the shareholders of the Corporation.
- (c) This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by Independent Shareholders (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) at the annual meeting of shareholders of the Corporation to be held in 2026 and at every third annual meeting of shareholders of the Corporation thereafter. If the Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, the Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of such annual meeting; provided that the termination shall not occur if a Flip-In-Event has occurred (other than a Flip-In-Event which has been waived pursuant to Section 5.1(c) and Section 5.1(d)) prior to the date upon which this Agreement would otherwise terminate pursuant to Section 5.13.

Section 5.14 Determinations and Actions by the Board of Directors.

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, in relation to or in connection with this Agreement, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

Section 5.15 Rights of Board, Corporation and Offeror.

Without limiting the generality of the foregoing, nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of Voting Shares reject or accept any Take-over Bid or take any other action (including, without limitation, the commencement, prosecution, defence or settlement of any litigation and the submission of additional or alternative Take-over Bids or other proposals to the holders of Voting Shares) with respect to any Take-over Bid or otherwise that the Board of Directors believes is necessary or appropriate in the exercise of its fiduciary duties.

Section 5.16 Regulatory Approvals.

This Agreement shall be subject in any jurisdiction to the receipt of any required prior or subsequent approval or consent from any governmental or regulatory authority in such jurisdiction including any securities regulatory authority or stock exchange. Any obligations of the Corporation or action contemplated by this Agreement, including any amendment hereto, shall be subject to the receipt of any requisite approval or consent from any applicable regulatory authority, including without limitation, any necessary approvals of the Toronto Stock Exchange or any other exchange.

Section 5.17 Declaration as to Non-Canadian Holders.

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes, or (until such notice is given as required by law) without advance notice to any regulatory or self-regulatory body.

Section 5.18 Time of the Essence.

Time shall be of the essence in this Agreement.

Section 5.19 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

Section 5.20 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

NEO PERFORMANCE MATERIALS INC.

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

**COMPUTERSHARE INVESTOR SERVICES
INC.**

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

**SCHEDULE “A”
FORM OF RIGHTS CERTIFICATE**

Certificate No. _____ **Rights** _____
THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON, ANY PERSON ACTING JOINTLY OR IN CONCERT WITH AN ACQUIRING PERSON OR THEIR RESPECTIVE ASSOCIATES AND AFFILIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) AND THEIR RESPECTIVE TRANSFEREES SHALL BECOME VOID WITHOUT ANY FURTHER ACTION.

RIGHTS CERTIFICATE

This certifies that _____ or registered assigns, is the registered holder of the number of Rights set forth above each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement entered into as of September 20, 2022, as amended and restated as of June 8, 2023, and as may be further amended and restated from time to time (the “**Rights Agreement**”), between Neo Performance Materials Inc., a corporation existing under the laws of the Province of Ontario (the “**Corporation**”), and Computershare Investor Services Inc., a trust company existing under the laws of Canada, as rights agent (the “**Rights Agent**”, which term shall include any successor Rights Agent under the Rights Agreement) to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Time (as such term is defined in the Rights Agreement) (or such earlier expiration time as is provided in the Rights Agreement) one fully paid and non-assessable Common Share of the Corporation (a “**Common Share**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed and submitted to the Rights Agent at its principal offices in Toronto, Ontario. The Exercise Price per Right shall be determined from time to time in accordance with the terms of the Rights Agreement.

In certain circumstances described in the Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase or receive assets, debt securities or other equity securities of the Corporation (or a combination thereof) all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights. Copies of the Rights Agreement are on file at the registered head office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights entitling the holder to purchase a like aggregate number of Common Shares as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a redemption price of \$0.000001 per Right.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced hereby.

No holder of this Rights Certificate, as such, shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities of the Corporation which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders of the Corporation at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders of the Corporation (except as expressly provided in the Rights Agreement), or to receive dividends, distributions or subscription rights, or otherwise until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been manually countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Dated _____

NEO PERFORMANCE MATERIALS INC.

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

**COMPUTERSHARE INVESTOR SERVICES
INC.**

By: _____
Authorized Signing Officer

By: _____
Authorized Signing Officer

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: NEO PERFORMANCE MATERIALS INC.

AND TO: COMPUTERSHARE INVESTOR SERVICES INC.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares issuable upon the exercise of such Rights and requests that certificates for such Common Shares be issued to:

(NAME)

(ADDRESS)

(CITY AND PROVINCE OR STATE)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(NAME)

(ADDRESS)

(CITY AND PROVINCE OR STATE)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER TAXPAYER NUMBER

Dated _____

Signature Guaranteed

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signature must be guaranteed by a schedule I Canadian chartered bank, a member of a recognized stock exchange or a member a recognized Medallion Program.

To be completed if true

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned,

have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or any Person acting jointly or in consent with any of the foregoing or any Affiliate or Associate of such Person (as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth in the Form of Election to Exercise is not completed, the Corporation is entitled to treat the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement).

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate)

FOR VALUE RECEIVED _____ hereby sells,

assigns and transfers unto _____
(Please print name and address of transferee)

the Rights represented by this Rights Certificate, together with all right, title and interest therein and does hereby irrevocably constitute and appoint _____ as attorney to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated _____

Signature Guaranteed

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

Signature must be guaranteed by a schedule I Canadian chartered bank, a member of a recognized stock exchange or a member a recognized Medallion Program.

To be completed if true

The undersigned hereby represents, for the benefit of the Corporation and all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or any other Person acting jointly or in concert with any of the foregoing or any Affiliate or Associate of such Person (as such terms are defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth in the Form of Assignment is not completed, the Corporation is entitled to treat the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and accordingly such Rights will be null and void.

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:

KINGSDALE ADVISORS

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2
www.kingsdaleadvisors.com

North American Toll Free Phone or Text:

1-800-285-8968

Email: contactus@kingsdaleadvisors.com

Outside North America, Banks and Brokers Call Collect: 1-416-867-2272