NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF 5N PLUS INC.

Dear shareholders,

We invite you to attend the Annual General Meeting of Shareholders (the "**Meeting**") of 5N Plus Inc. (the "**Corporation**"). The Meeting will be held on May 4, 2023 at 10:00 a.m. (Eastern Daylight Time). This year again, we will hold our annual meeting in a virtual only format in order to facilitate shareholder access to the Meeting and maximize shareholder attendance, via a live webcast online at http://meetnow.global/M7KYG29. Shareholders will not be able to attend the meeting in person.

The purposes of the Meeting are to:

1. Receive and consider the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2022, together with the notes thereto and the independent auditor's report thereon;
2. Elect directors of the Corporation who will serve until the next annual meeting of shareholders or until their successors are elected or appointed;
3. Appoint the auditor of the Corporation and authorize the directors to fix its remuneration; and
4. Transact such other business as may properly be brought before the Meeting.

Detailed instructions about how to participate at our virtual Meeting and a description of the items of business to be considered at the Meeting can be found in the accompanying management proxy circular. Registered shareholders and duly appointed proxyholders can attend the Meeting online at http://meetnow.global/M7KYG29 where they can participate, vote, or submit questions during the Meeting's live webcast. Non-Registered Holders (being shareholders who hold their shares through securities dealers or brokers, banks, trust companies or other intermediaries) who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

DATED at Montreal, Québec
April 4, 2023

By order of the Board of Directors

(s) Gervais Jacques

Gervais Jacques
President and Chief Executive Officer

5N PLUS

General Information

This Management Proxy Circular is provided in connection with the solicitation by the management of 5N Plus Inc. ("5N Plus" or the "Corporation") of proxies to be used at the Annual General Meeting of Shareholders (the "Meeting") of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting and all adjournments thereof. Except as otherwise stated, the information contained herein is given as of April 4, 2023. The solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by other means. The total cost of solicitation of proxies will be borne by the Corporation. Unless otherwise indicated, all references to "dollars" and the symbol "$" in this Management Proxy Circular are to Canadian dollars.

You are a "**Registered Shareholder**" if your name appears on a share certificate or a Direct Registration System statement confirming your holdings. If you are a Registered Shareholder, you have received a "Form of Proxy" for this Meeting.

You are a "**Non-Registered Holder**" or a "**beneficial owner**" if your shares are held through an intermediary (broker, trustee or other financial institution). If you are a Non-Registered Holder, you have received a "Voting Instruction Form" for this Meeting. Please make sure to follow instructions on your Voting Instruction Form to be able to attend and vote at this Meeting.

Shareholders are encouraged to vote in advance of the Meeting as described below. Even if you are planning to participate in the virtual Meeting, you should consider voting your shares by proxy in advance, to ensure your vote is counted if you later decide not to attend the virtual Meeting or in the event that you are unable to attend the Meeting for any reason.

Attending the Virtual-Only Meeting

This year again, in order to facilitate shareholder access to and to maximize attendance at the Meeting, the Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00 a.m. (Eastern Daylight Time) on May 4, 2023.

Registered Shareholders and duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder) will be able to attend the Meeting, ask questions and vote, all in real time, online at http://meetnow.global/M7KYG29. Guests, including Non-Registered Holders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below, but will not be able to vote or participate at the Meeting.

Registered Shareholders and **duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder)** can participate in the Meeting by clicking "**Shareholder**" and entering a Control Number (for Registered Shareholders) or an Invite Code (for duly appointed proxyholders) before the start of the Meeting. **In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare Investor Services Inc. ("Computershare") containing an Invite Code.**

- **Registered Shareholders** - the 15-digit control number is located on the Form of Proxy or in the email notification you received.

- **Duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder)** – Computershare will provide the proxyholder with an Invite Code by email after the proxy cut-off deadline has passed.

- **Non-Registered Holders** who have not appointed themselves as proxyholder to participate and vote at the Meeting may login as a guest, by clicking on "**Guest**" and complete the online form; however, they will not be able to vote, submit questions or otherwise participate at the Meeting.

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual Meeting must submit their form of proxy or voting instruction form (as applicable) PRIOR to registering their proxyholder. Registering the proxyholder is an ADDITIONAL STEP that needs to be completed once such Shareholder has submitted its form of proxy or voting instruction form, as applicable. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.

To register a proxyholder, Shareholders **MUST** visit http://www.computershare.com/5NPlus by no later than 5:00 p.m. (Eastern Daylight Time) on May 2, 2023, and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code by email.

The virtual meeting platform is fully supported across most commonly used web browsers other than Internet Explorer. We encourage you to access the Meeting prior to the start time to, among other things, test your Internet connection and ensure that you are using a supported browser. **It is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences.** It is your responsibility to ensure connectivity for the duration of the Meeting.

Please note that Non-Registered Holders located in the United States have to complete an ADDITIONAL STEP to attend and vote at the Meeting. To attend and vote at the virtual meeting, you must **FIRST** obtain a valid Legal Proxy from your broker, bank or other agent, and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with the Meeting Materials (as defined below) or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, Computershare must receive a copy of your Legal Proxy by 5:00 p.m. (Eastern Daylight Time) on May 2, 2023 in order to register to attend the Meeting. Requests for registration must be labeled as "Legal Proxy" and should be sent to Computershare either by email at uslegalproxy@computershare.com or by mail at Computershare Investor Services Inc., 100 University Ave, 8th Floor, Toronto, Ontario M5J 2Y1, Canada.

You will receive a confirmation of your registration by email after we receive your registration materials. Provided all required steps have been completed, you may attend the Meeting and vote your shares at http://meetnow.global/M7KYG29 during the Meeting. If you are a Non-Registered Holder located in the United States, we encourage you to contact your broker, bank or other agent to discuss the foregoing and how to access the Meeting. Note that the steps described above (i.e. submission of a Voting Instruction Form and appointment of a third party proxyholder) **MUST ALSO** be completed prior to the cut-off time.

If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you **DO NOT** wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Voting by Registered Shareholders

- **Voting online at the Meeting**: At the Meeting, registered shareholders may vote by completing a ballot online, as further described above under "Attending the Virtual-Only Meeting". **If you wish to vote online at the Meeting, you do not need to complete or return the form of proxy.**

- **Voting by proxy**: You may appoint someone else to vote for you as your proxyholder by using the enclosed form of proxy. The persons named as proxies in such form of proxy are directors or officers of the Corporation. **However, you have the right to appoint any other person (who need not be a shareholder) to attend and act on your behalf at the Meeting. See below under "Appointment and Revocation of Proxies".**

Voting by Non-Registered Holders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of its common shares (such as securities dealers or brokers, banks, trust companies, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans), or (ii) in the name of a clearing agency of which the Intermediary is a participant. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting and this Management Proxy Circular (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive it. Intermediaries often use service companies to forward Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive this Management Proxy Circular will either:

(a) typically, be provided with a computerized form (often called a Voting Instruction Form) which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. In order for the applicable computerized form to validly constitute a voting instruction form, the Non-Registered Holder must properly complete and sign the form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or service company. In certain cases, the Non-Registered Holder may provide such voting instructions to the Intermediary or its service company through the Internet or through a toll-free telephone number; or

(b) less commonly, be given a proxy form which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the proxy form and submit it to Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. The Corporation does not send proxy-related materials directly to Non-Registered Holders. The Corporation intends to pay for proximate intermediaries to send the proxy-related materials to objecting beneficial owners.

If you are a Non-Registered Holder and wish to participate and vote at the Meeting, you **MUST** insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary **AND** register yourself as your proxyholder, as described below under "Appointment and Revocation of Proxies". By doing so, you are instructing your intermediary to appoint you as its proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. In order to vote, Non-Registered Holders who appoint themselves as a proxyholder **MUST** register with Computershare at http://www.computershare.com/5NPlus **after** submitting their voting instruction form in order to receive an Invite Code, as described below under "Appointment and Revocation of Proxies". Non-Registered Holders located in the United States may also need to submit a "legal proxy". See "Attending the Virtual-Only Meeting".

Appointment and Revocation of Proxies

Whether or not you attend the Meeting online, you may appoint someone else to vote for you as your proxyholder. Your vote will thus be counted at the Meeting. You may use the form of proxy provided, or any other proper form of proxy, in order to appoint your proxyholder. The persons named in the enclosed form of proxy are directors and officers of the Corporation. **Each shareholder is entitled to appoint a person, who need not be a shareholder, to represent him or her at the online Meeting other than those whose names are printed on the accompanying form of proxy. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting must submit their form of proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving an Invite Code to participate in the Meeting.** To register a proxyholder, shareholders **MUST** visit http://www.computershare.com/5NPlus by 5:00 p.m. (Eastern Daylight Time) on May 2, 2023 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invite Code via email.

A proxy can be submitted to Computershare either by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at www.investorvote.com. The proxy must be deposited with Computershare by no later than 5:00 p.m. (Eastern Daylight Time) on May 2, 2023, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed Meeting. If a shareholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.

A shareholder who has given a proxy may revoke it, as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The revocation of a proxy, in order to be acted upon, must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 prior to 5:00 p.m. (Eastern Daylight Time) on the last business day preceding the day of the Meeting. In addition, if you have followed the process set out above for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.

Without an Invite Code, proxyholders will not be able to participate and vote at the Meeting.

Exercise of Discretion by Proxies

In the absence of any direction to the contrary, shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy will be voted FOR the: (i) election of directors; and (ii) appointment of the auditor of the Corporation, as stated under such headings in this Management Proxy Circular. A simple majority (50% plus one) of the votes cast at the Meeting will constitute approval for each of these matters. Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. As at the date of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters.

In all cases, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when, where and by what means the voting instruction form or proxy form must be delivered.

A Non-Registered Holder may revoke voting instructions which have been given to an Intermediary at any time by written notice to the Intermediary.

Voting Shares

As at April 4, 2023 there were 88,454,724 common shares of the Corporation issued and outstanding. Each common share entitles the holder thereof to one vote. The Corporation has fixed March 30, 2023 as the record date (the "**Record Date**") for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting.

Principal Shareholders

As at April 4, 2023, to the best knowledge of the directors and executive officers of the Corporation, the following are the only persons who beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the common shares of the Corporation:

Name and place of residence	Number of common shares held	Percentage of common shares held
Caisse de dépôt et placement du Québec Montreal, Québec, Canada	16,157,050	18.3%
Letko, Brosseau & Associates Montreal, Québec, Canada	10,088,680	11.4%

Business of the Meeting

Presentation of the Annual Audited Consolidated Financial Statements

The annual audited consolidated financial statements for the fiscal year ended December 31, 2022, together with the notes thereto and the report of the independent auditor thereon, will be placed before the Meeting. The annual audited consolidated financial statements were mailed with the Notice of Meeting to shareholders who requested them. Copies of the annual audited consolidated financial statements for the fiscal year ended December 31, 2022, are available on SEDAR under the Corporation's profile at www.sedar.com.

Election of Directors

Five directors are to be elected to hold office until the close of the next annual general meeting of shareholders or until their successor is elected or appointed. Each of the persons presented in this Management Proxy Circular is proposed to be nominated as a director of the Corporation and each nominee has agreed to serve as a director if elected.

Appointment of Auditor

Except where authorization to vote with respect to the appointment of the auditor is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Corporation, at such remuneration as may be determined by the Board of Directors. PricewaterhouseCoopers LLP, Chartered Accountants, has served as the auditor of the Corporation since September 3, 2010.

Shareholder Proposals

The Canada Business Corporations Act provides that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a "**Proposal**") and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The Canada Business Corporations Act further provides that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation within the 60-day period that begins on the 150th day before the anniversary of the previous annual meeting of shareholders. Shareholder proposals for consideration at the next annual meeting of shareholders of the Corporation must be submitted between December 6, 2023 and February 3, 2024 in order to be included in the management information circular for such meeting. The Corporation has not received any shareholder proposals for consideration at this year's Meeting.

The foregoing is a summary only. Shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

Other Matters

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy and voting instruction form, as applicable, confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgement.

Election of Directors

The articles of the Corporation provide that the Board of Directors of the Corporation shall consist of a minimum of one (1) and a maximum of fifteen (15) directors. The Board of Directors currently consists of five (5) directors. **Unless otherwise specified, the persons named in the enclosed form of proxy intend to vote FOR the election of the five (5) nominees whose names are set forth below.** Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by removal, death or other cause.

In February 2022, we were deeply saddened by the loss of fellow director James T. Fahey, after a courageous battle with cancer. James made invaluable contributions to our deliberations since joining our Board in 2014 as an independent director, and we will miss both his wisdom and his friendship. The Board is actively recruiting to fill this vacancy as well as to continue to enhance its capabilities and diversity. In February 2023, we welcomed Ms. Blair Dickerson, an experienced corporate leader with expertise in government regulations, regulatory affairs and public policy leadership , to the Board.

As part of the Corporation's ongoing Board renewal process, the Corporation is mindful of the interests of its existing shareholders. In that respect, the Corporation has agreed to consider nominees provided by Caisse de dépôt et placement du Québec having the skills and attributes identified as priorities by the Corporation, which include independence, financial experience and the requisite expertise to contribute to the Board. Subject to the *Canada Business Corporations Act*, applicable securities law and the Corporation's by-laws, and in accordance with the current processes of the Governance & Compensation Committee, the Corporation has agreed to propose one candidate presented to the Board by Caisse de dépôt et placement du Québec for election at any annual shareholder meeting until such time as Caisse de dépôt et placement du Québec ceases to hold at least 10% of the issued and outstanding shares of the Corporation. This year, Ms. Nathalie Le Prohon is the candidate proposed by Caisse de dépôt et placement du Québec. Ms. Le Prohon and all other nominee directors named in the table below are currently members of the Board of Directors of the Corporation.

Majority Voting Policy

The election of directors at the Meeting is governed by the new majority voting requirements under the *Canada Business Corporations Act* which took effect on August 31, 2022. Pursuant to such requirements, in an uncontested election of directors, a nominee must receive 50% or more of the total votes cast "for" or "against" such nominee by shareholders in favour of their election in order to be elected as a director of the Corporation. If a nominee does not receive a majority of votes cast by shareholders in favour of their election, except in limited circumstances, the nominee will not be elected and the Board position will remain open; however, if such nominee is an incumbent director, he or she will still be permitted to remain in office until the earlier of: (a) the 90^{th} day after the day of the election; or (b) the day on which their successor is appointed or elected.

These statutory majority voting requirements only apply to "uncontested elections of directors", meaning elections where the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board of Directors.

In light of the new statutory majority voting requirements under the *Canada Business Corporations Act*, the Board has resolved to revoke its Majority Voting Policy, such that this policy will no longer apply at the Meeting.

Luc Bertrand

Age: 68
Montreal, Québec, Canada

Director since January 2016
Independent

Shares held: 2,200,000

Mr. Bertrand is Vice-Chairman of National Bank of Canada, a position he assumed in February 2011. Mr. Bertrand has held various management positions in the financial services industry. From 2000 to 2009, he was President and Chief Executive Officer of Montreal Exchange Inc. and held the position of Vice President and Managing Director of Institutional Equity Sales at National Bank Financial from 1998 to 2000. Aside from his professional duties, Mr. Bertrand is a member of boards of directors and industry committees. He currently serves on the Board of TMX Group and is Chairman of the Board of the BOX Options Exchange and previously held the position of Chief Executive Officer of Maple Group Acquisition Corporation. In recent years, he served as Chairman of the Board of the Montreal Canadians/CH Group Inc. and of the Montréal Climate Exchange. He served as a director of the Canadian Derivatives Clearing Corporation and of the Natural Gas Exchange. He also served as Governor of the Canadian Investor Protection Fund, of the Canadian Securities Institute and of Market Regulation Services. He was a member the Board of the Montreal International Financial Center and of the Institut de finance mathématique de Montréal. He was a member of the Federal Minister of Finance Advisory Committee on Canada's economic action plan in 2009 and is a trustee of the Jean-Louis-Lévesque Foundation.

Positions Held within the Corporation

Chairman of the Board of Directors
Member of the Audit & Risk Management Committee (since March 2022)
Member of the Governance & Compensation Committee (since March 2022)

Board/Committees	Attendance
• Board of Directors	6 of 6 (100%)
• Audit & Risk Management Committee	3 of 3 (100%)
• Governance & Compensation Committee	1 of 1 (100%)
• Total	10 of 10 (100%)

Jean-Marie Bourassa

Age: 72
Montreal, Québec, Canada

Director since December 2007
Independent

Shares held: 1,444,300

Mr. Bourassa was the founding President and Chief Executive Officer of Bourassa Boyer Inc., an accounting firm, from January 1, 1989 to June 30, 2018 and has served as consulting partner since July 1, 2018. He is a board member, and was until May 22, 2019 the Chief Financial Officer, of Savaria Corporation, a company listed on the Toronto Stock Exchange. Mr. Bourassa is involved with various private companies as a shareholder and a director. He was President of the Palliative Care Residence of Vaudreuil-Soulanges Foundation for many years and is now a board member of the centre d'action bénévole L'Actuel and chairman of the board of the Summerlea Golf & Country Club. Mr. Bourassa has been a Chartered Accountant since 1976 and attained corporate governance certification at Université Laval in 2009.

Positions Held within the Corporation

Chairman of the Audit & Risk Management Committee
Member of the Governance & Compensation Committee (since March 2022)

Board/Committees	Attendance
• Board of Directors	6 of 6 (100%)
• Audit & Risk Management Committee	4 of 4 (100%)
• Governance & Compensation Committee	1 of 1 (100%)
• Total	11 of 11 (100%)

Nathalie Le Prohon

Age: 61
Westmount, Québec, Canada

Director since May 2014
Independent

Shares held: 218,800

Ms. Le Prohon is a professional board member with over 30 years of extensive experience in management and consulting including 20 years in senior executive positions at IBM in Montreal, Québec City, Toronto and Paris including her current position as a President of IBM Québec Technologies. Ms. Le Prohon was President of Nokia Canada from 2003 and 2004. From 2007 to July 2016, Ms. Le Prohon was a full-time corporate director for various public and private entities and not-for-profit organizations. Ms. Le Prohon was Chair of the Board of Groupe Conseil OSI and of the Québec Breast Cancer Foundation, was a director of Alithya, ACCEO Solutions, Bentall Kennedy LP and Hydro-Québec and was a member of the external audit committee of the Department of National Defence (Canada). She has a BCOM (Major in MIS) from McGill University, an MBA from Concordia University and was named Concordia University '*Alumna of the Year*' in 2009. She is a member of the Institute of Corporate Directors and has attained corporate governance certification at McGill University in 2009.

Positions Held within the Corporation

Chair of the Governance & Compensation Committee
Member of the Audit & Risk Management Committee (since March 2022)

Board/Committees	Attendance
• Board of Directors	6 of 6 (100%)
• Governance & Compensation Committee	2 of 2 (100%)
• Audit & Risk Management Committee	3 of 3 (100%)
• Total	11 of 11 (100%)

Gervais Jacques

Age: 55
Candiac, Québec, Canada

Director since May 2020
Non-Independent

Shares held: 244,750

Mr. Jacques is the former Managing Director of Rio Tinto Aluminium, where he led more than 6,000 employees in five countries. Prior to that, he was Chief Commercial Officer for Rio Tinto Aluminium and was responsible for all commercial and marketing activities worldwide. This included developing long-term relationship with key customers in the automotive and consumer goods markets, with targeted R&D efforts in collaboration with customers. Mr. Jacques served as Chairman of the International Aluminium institute, of the Canadian Aluminium Association and of Halco Mining. He was Director of the European Aluminium Association and of the American Aluminum Association, Vice-chairman of Compagnie des Bauxites de Guinée, Director of the owner committee of Aluminerie de Bécancour and Director of Elysis. He has a degree in chemical engineering from Université Laval and completed a Leadership and Strategy program at the London Business School in England. Mr. Jacques is an active member of boards of directors and industry committees. He currently serves as Chairman of the Board of Nemaska Lithium and Chairman of the Board of Airex Energy.

Positions Held within the Corporation

Interim President and Chief Executive Officer (appointed on December 1, 2021)
President and Chief Executive Officer (appointed on March 18, 2022)

Board/Committees	Attendance
• Board of Directors	6 of 6 (100%)
• Governance & Compensation Committee(1)	1 of 1 (100%)
• Audit & Risk Management Committee (1)	1 of 1 (100%)
• Total	8 of 8 (100%)

(1) Mr. Jacques was a member of each of the Governance & Compensation Committee and the Audit & Risk Management Committee until his appointment as President and CEO of the Corporation in March 2022.

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Blair Dickerson

Age: 60
Ottawa, Ontario, Canada

Director since February 2023
Independent

Shares held: -

Ms. Dickerson is the VP, Public Affairs of Paper Excellence Canada Holdings Corporation, a sustainable pulp and paper manufacturer. She has also held leadership roles in the critical minerals and mining sector at Rio Tinto and Vale in the areas of Sustainability, Indigenous and Community Relations and Corporate Affairs. With expertise in government regulations, regulatory affairs and public policy leadership, Ms. Dickerson has created high value partnerships, combining a deep knowledge of government policymaking and regulatory processes with a passion and respect for community values. Throughout her career, she has focused on assignments in highly regulated sectors including the pharmaceutical and alcohol beverage industries as well as in government. At Natural Resources Canada, Ms. Dickerson was Chief of Staff to the Minister, working closely with the forestry, energy and mining sectors. At Rio Tinto, she held the roles of Vice President Canada, Acting Vice President Asia for Corporate Relations, and General Manager for Communities and Communications, Europe, the Middle East and Africa. Prior to Rio Tinto, she worked at Vale as Head of Sustainability, Communications, Indigenous Relations and Corporate Affairs. Ms. Dickerson has served on the Board of the Canadian American Business Council (CABC), the Mining Association of Canada, and the Canadian Chamber of Commerce. She has a degree in political science and economics and a master's degree in business administration from Queen's University.

To the knowledge of the Corporation and based upon information provided by the proposed director nominees, none of the foregoing nominees for election as director of the Corporation:

(a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease-trade order, an order similar to a cease-trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to an Order that was issued after the proposed director 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 of such company; or

(b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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 (other than Nathalie Le Prohon, who was a director of BlackRock Metals Inc., when it commenced proceedings under the *Companies' Creditors Arrangement Act* on December 23, 2021); or

(c) has, within the last ten years, 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 his assets.

To the knowledge of the Corporation and based upon information provided by the proposed director nominees, none of the foregoing nominees for election as director of the Corporation has been subject to:

(a) any penalties or sanctions 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 penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Executive Compensation

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and process and to discuss compensation relating to each person who acted as President and Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), and the three most highly-compensated executive officers of the Corporation (or three most highly-compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose total compensation was more than $150,000 in the Corporation's last fiscal year (each a "**NEO**" and collectively the "**NEOs**"). For the fiscal year ended December 31, 2022, the Corporation's NEOs are Gervais Jacques, President and CEO, Richard Perron, CFO, Paul Tancell, Executive Vice President, Performance Materials ("**EVP-PER**"), William Alexander, Senior Director Corporate Development & Innovation Management ("**SD**") and Jürgen Heizmann, former Executive Vice President, Specialty Semiconductors ("**EVP-Semi**"). Mr. Heizmann ceased acting as EVP-Semi and Managing Director of AZUR Space Solar GmbH ("**AZUR**") in August 2022.

Governance & Compensation Committee

The Governance & Compensation Committee of the Board of Directors (the "**Governance & Compensation Committee**") is comprised of three directors, namely Nathalie Le Prohon (Chair), Jean-Marie Bourassa and Luc Bertrand, each of whom is an "independent" director within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Board of Directors is of the view that the Governance & Compensation Committee collectively has the knowledge, experience and background to fulfill its mandate, and that each of the members of the Governance & Compensation Committee has direct experience relevant to his or her responsibilities regarding executive compensation. In particular, Mrs. Le Prohon is a professional board member with extensive experience in management and consulting including twenty years in senior executive positions at IBM, is a member of the Institute of Corporate Directors and has attained corporate governance certification at McGill University. Mr. Bourassa and Mr. Bertrand are both experienced senior executives. These collective skills and extensive experience enable the Governance & Compensation Committee to make decision on the suitability of the Corporation's compensation policies and practices. Mr. Bourassa and Mr. Bertrand were appointed to the Governance & Compensation Committee on March 18, 2022.

The mandate of the Governance & Compensation Committee is to periodically (at least twice a year) review and make recommendations to the Board of Directors with respect to the Corporation's compensation and benefit programs for the NEOs and directors as well as other members of senior management of the Corporation, including base salaries, bonuses, stock options (or stock appreciation rights ("**SAR**") in the case of foreign directors and officers), restricted share units ("**RSU**"), performance share units ("**PSU**") and deferred share units ("**DSU**") grants. In the assessment of the annual compensation of the NEOs, the Governance & Compensation Committee consults with senior management to develop, recommend and implement the Corporation's compensation philosophy and policy. The Governance & Compensation Committee also takes into consideration the competitiveness of the compensation packages offered to the NEOs. Compensation decisions are usually made in the first quarter of a fiscal year based on performance achieved in the prior fiscal year.

Compensation Philosophy and Objectives

The compensation of the NEOs is determined by the Board of Directors upon recommendations made by the Governance & Compensation Committee. The Corporation's executive compensation program is generally designed to pay for performance and to be competitive with other companies of comparable size in similar fields. The CEO makes recommendations to the Governance & Compensation Committee as to the compensation of the Corporation's executive officers, other than himself. The Governance & Compensation Committee makes recommendations to the Board of Directors as to the compensation of the CEO and the other NEOs for approval, in accordance with the same criteria upon which the compensation of all other executive officers is based.

The general objective of the Corporation's compensation philosophy is to: (i) produce long-term, positive results for the Corporation's shareholders; (ii) align executive compensation with corporate performance; (iii) provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful; and (iv) support the Corporation's business strategy.

Executive Compensation Policy

The Corporation's executive compensation program is generally comprised of a base salary, an annual bonus opportunity and long-term incentives in the form of stock options granted under the Corporation's stock option plan (the "**Stock Option Plan**"), SAR plan (the "**SAR Plan**"), new RSU and PSU plan (the "**New RSU & PSU Plan**") and DSU plan (the "**DSU Plan**").

The annual bonus provides an opportunity for executives to earn an annual cash incentive based on the degree of achievement of individual, strategic, commercial, operational and financial targets set by the Board of Directors. The Stock Option Plan, the SAR Plan, the New RSU & PSU Plan and the DSU Plan are designed to attract and retain the key talent required to drive the Corporation's long-term success by providing participants with an opportunity to share in the shareholder value to which they contribute. The Governance & Compensation Committee, at its sole discretion, and from time to time, may propose modifications to the executive compensation policy, including the removal or addition of compensation elements and amendments to the Stock Option Plan, the SAR Plan, the New RSU & PSU Plan and the DSU Plan. Any such modifications will be presented to the Board of Directors and, when required, to the shareholders, for approval.

Executives' Involvement in the Determination of Executive Compensation Policy

Certain executives of the Corporation are involved in the process of determining executive compensation, as follows: the CEO works jointly with the Governance & Compensation Committee to define the elements of executive compensation, including eligibility for the annual incentive (bonus) plan and long-term incentive compensation, the size, terms and conditions of bonus opportunities, and long-term incentive grants, based on the Corporation's pay-for-performance compensation philosophy and target-market positioning. The NEOs and other senior managers are involved in the preparation of the financial budgets which are recommended for approval by the Board of Directors and which form the basis for the financial-performance targets on which a portion of the bonuses are based; the CFO oversees the financial, accounting, legal and regulatory aspects of the Stock Option Plan, the SAR Plan, the New RSU & PSU Plan and the DSU Plan, including maintaining a record of options, SARs, RSUs, PSUs and DSUs granted, exercised or paid and cancelled.

Comparative Group and External Compensation Consultant

To ensure the competitiveness of the compensation offered to the NEOs and other senior executives of the Corporation, the Governance & Compensation Committee may retain, from time to time, the services of executive compensation consultants to provide advice on executive compensation. The Corporation did not retain the services of an executive compensation consultant for purposes of determining director and executive officer compensation in 2022.

Although the Governance & Compensation Committee may from time to time rely on information and advice obtained from consultants, all decisions with respect to executive compensation are made by the Board of Directors upon recommendation of the Governance & Compensation Committee and may reflect factors and considerations that differ from information and recommendations provided by such consultants, such as merit and the need to retain high-performing executives.

In 2021, the Corporation's compensation levels and practices were compared to five Canadian companies, six U.S. companies and three European companies (the "**Comparative Group**") as listed in the table below. Companies selected in our Comparative Group had to be publicly-listed with similar commercial and operational complexities as the Corporation, with an international footprint and a comparable EBITDA and market capitalization.

Comparative Group	
Canadian Companies	**U.S. Companies**
Ballard Power Systems Inc.	Applied Optoelectronics, Inc.
Héroux-Devtek Inc.	AXT,Inc.
Neo Performance Materials Inc.	Emcore Corporation
Sherritt International Corporation	Intevac, Inc.
Taseko Mines Limited	Materion Corporation
	Richardson Electronics Ltd.
European Companies	
Gooch & Housego PLC	
IQE plc	
Luxfer Holdings PLC	

Compensation Process

The Board of Directors, upon recommendation of the Governance & Compensation Committee, ensures that total compensation paid to the NEOs is fair and reasonable and accomplishes the following long-term objectives:

- produce long-term, positive results for the Corporation's shareholders;
- align executive compensation with corporate performance;
- provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful; and
- support the Corporation's business strategy.

Elements of Executive Compensation

The compensation for the NEOs consists of three main components: base salary, annual bonus, and long-term incentives currently in the form of stock options, SARs, RSUs, PSUs and DSUs. The NEOs also benefit from the Corporation's group insurance plans. The Corporation also contributes up to 3% of the base salary of the NEOs (with the exception of the previous EVP-Semi and SD) to the Corporation's Deferred Profit-Sharing Plan through which the Corporation shares a portion of the Corporation's profits with some or all of its employees. The SD is eligible to the 401K program of the Corporation and the Corporation makes a contribution equal to 100% on the first 3% of the eligible earnings that is deferred and an additional 50% on the next 2% of the eligible earnings up to limits defined by the Internal Revenue Service (IRS). The Corporation contributed 2% of the former EVP-Semi's base salary to an insurance company that guarantees future payments upon retirement to the former EVP-Semi. Other terms and conditions of employment contracts of the NEOs are described in the section entitled "Termination and Change of Control Benefits" below.

Base Salaries

The base salary component of the compensation for the Corporation's executives aims to reflect the salaries paid by companies in the Comparative Group and companies of a scope comparable with the Corporation for positions involving similar responsibilities, complexity and impact, as well as the competencies and experience of each executive.

Salaries are reviewed annually based on changes in the marketplace, the evolution of the executive's competencies, and his or her individual performance as measured by the achievement of objectives determined annually by the executive together with the CEO and, with respect to the CEO, with the Governance & Compensation Committee.

The Corporation's salary policy is to pay salaries for executive officers between the 25th percentile and the 50th percentile of the Comparative Group which is currently the case for all NEOs. The SD position was not in the Comparative Group analysis.

Annual Incentive (Bonus)

The annual incentive (bonus) plan is intended to encourage and reward each executive for his or her contribution to the Corporation's annual business plan and for the Corporation's financial success. It is the intent of the Corporation that the combination of salary and annual bonus target be between the 25th percentile and the 50th percentile of the Comparative Group which is currently the case for all NEOs. The SD position was not in the Comparative Group analysis.

Individual, strategic, commercial, operational and financial objectives are determined at the beginning of the year by the executive in concert with the CEO and, with respect to the CEO, in concert with the Governance & Compensation Committee. Each year, the Board of Directors determines the strategic, commercial, operational and financial performance targets which have to be achieved by the Corporation and its divisions in order for bonuses to be paid, as well as the maximum bonus amount to be paid to each executive should the targets be exceeded. The Board of Directors also approves the bonus amount to be paid to each executive based on their actual performance.

For the fiscal year ended December 31, 2022, the target bonus was based on (i) achieving a certain level of Adjusted EBITDA (for the purposes of determining this year's target bonus, the Corporation defines Adjusted EBITDA as operating earnings (loss) before the effect of impairment of inventories, share-based compensation expense (recovery), litigation and restructuring costs, impairment of non-current assets, loss on divestiture of a subsidiary, loss on disposal of assets held for sale and depreciation and amortization), as determined in the budget approved by the Board of Directors, and (ii) on each executive's individual performance. The following table presents the bonus payouts, as a percentage of base salary for threshold, target and maximum performance for each NEO:

	Bonus based on the Corporation's and individual's results (as a percentage of base salary)			
Position title	**Below threshold bonus**	**Minimum Threshold bonus**	**Target bonus**	**Maximum bonus**
CEO	0%	10%	100%	150%
CFO	0%	10%	40%	60%
Other NEOs	0%	10%	30-40%	45-60%

The following table presents the Corporation's Adjusted EBITDA objective for the fiscal year ended December 31, 2022, approved by the Board of Directors, and the results achieved by the Corporation:

In thousands of dollars	**Target**	**Results**	**Evaluation of Performance**
Adjusted EBITDA[(1)]	US$29,400	US$30,000	102%

[(1)] *Adjusted EBITDA is not a recognized measure under IFRS, does not have a standardized meaning, may not be comparable to similar measures presented by other entities and should not be considered a substitute for, or superior to, IFRS results. See "Non-IFRS Measures" in our Management's Discussion and Analysis dated February 21, 2023 for more information on Adjusted EBITDA and a reconciliation between Operating (loss) earnings and Adjusted EBITDA.*

The target Adjusted EBITDA for 2022 was achieved at 102%. Adjusted EBITDA is not the only objective set for the CEO, the CFO and other NEOs. There are individual (and divisional objectives), and other financial objectives such as commercial performance and debt reduction, which also factor into the bonus calculation, which were variously achieved. Given the Adjusted EBITDA result for the fiscal year ended December 31, 2022, the board set the evaluation of performance target at 100% for the purpose of determining NEO bonus payments.

Long-Term Incentive Plans ("LTIP")

Long-term incentives are comprised of stock options, SARs, RSUs, PSUs and DSUs and are intended to align executive compensation with the interests of the Corporation's shareholders.

On September 22, 2022, the Board adopted modifications made regarding vesting matters in the event of a change of control in the Corporation to (i) the Corporation's Stock Option Plan adopted on April 11, 2011, (ii) the Corporation's Stock Appreciation Rights adopted on November 7, 2012, and (iii) the Corporation's Restricted Share Unit and Performance Share Unit Plan adopted on November 4, 2015.

A change of control event means either (i) the change in the beneficial ownership of securities representing more than 50% of the combined voting power of the Corporation, (ii) the merger or consolidation of the Corporation with or into any other corporation, (iii) the sale or other disposition of all or substantially all of the Corporation's assets to another entity, other than a disposition to a wholly owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its affiliates, or (iv) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, the fact that the nominees named in the most recent management information circular of the Corporation for election to the Board of Directors do not constitute a majority of the Board of Directors (each event being a ''**Change of Control Event**'').

Stock Option Plan

Pursuant to the Stock Option Plan, options may be granted by the Board of Directors, from time to time, to executives and other key employees. Option-grant guidelines are established pursuant to the Governance & Compensation Committee's periodic review of the compensation policy, taking into account the competitiveness of total compensation and compensation practices within the Comparative Group, market trends as well as the Corporation's pay-for-performance philosophy. Option grants are expressed as a percentage of a participant's salary, which is determined based on the participant's position and responsibility levels, without taking into account the number of stock options previously granted to and already held by such participant. Options granted to NEOs usually have a six-year term and vest equally over a four-year period at an annual rate of 25% per year. See "Executives' Involvement in the Determination of Executive Compensation Policy" above for a discussion of the role of executive officers in setting and administering the Stock Option Plan.

On April 11, 2011, the Corporation adopted the Stock Option Plan, replacing the one in place since October 2007. The only change was to the maximum number of options that can be granted, which cannot exceed 5,000,000. In 2012, the Board of Directors adopted minor amendments to the Stock Option Plan. The aggregate number of shares which could be issued upon the exercise of options granted under the 2007 plan could not exceed 10% of the issued shares of the Corporation at the time of granting the options. At an annual general and special meeting of shareholders of the Corporation held on October 6, 2011, shareholders approved the 2011 plan which is referred to herein as the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors of the Corporation.

The following is a description of certain features of the Stock Option Plan, as required by the Toronto Stock Exchange:

(a) the maximum number of common shares that can be issued upon the exercise of options granted under the Stock Option Plan is 5,000,000, representing 5.7% of the issued and outstanding shares of the Corporation as of December 31, 2022;

(b) no option may be granted under the Stock Option Plan to any optionee unless the number of the common shares: (i) issued to "insiders" within any one-year period; and (ii) issuable to "insiders" at any time, under the Stock Option Plan, or when combined with all of the Corporation's other security-based compensation arrangements, does not exceed 10% of the total number of issued and outstanding common shares of the Corporation. For the purpose of the Stock Option Plan, the term "insiders" means "reporting insiders" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;

(c) the exercise price of options granted under the Stock Option Plan is set at the time of the grant of the options, but cannot be less than the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day on which an option is granted;

(d) the maximum period during which an option may be exercised is ten years from the date on which it is granted;

(e) at the time of granting an option, the Board of Directors, at its discretion, may set a "vesting schedule", that is, one or more dates from which an option may be exercised in whole or in part;

(f) options granted under the Stock Option Plan are not transferable other than by will or by the laws of succession of the domicile of the deceased optionee;

(g) if an optionee's employment or service provider relationship with the Corporation is terminated for cause, options not then exercised terminate immediately;

(h) if an optionee dies, retires or becomes, in the determination of the Board of Directors, permanently disabled, options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of death, retirement or permanent disability, as the case may be, for a period of one year after the date of death, retirement or permanent disability;

(i) upon an optionee's employment, office, directorship or service provider relationship with the Corporation terminating or ending other than by reason of death, retirement, permanent disability or termination for cause, options may be exercised for that number of common shares which the optionee was entitled to acquire at the time of such termination, for a period of 30 days after such date;

(j) the Stock Option Plan does not provide for financial assistance from the Corporation to option holders;

(k) if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise of an option by an optionee, then the optionee shall, concurrently with the exercise of the option:

    (i) pay to the Corporation, in addition to the exercise price for the options, sufficient cash as is determined by the Corporation, in its sole discretion, to be the amount necessary to fund the required tax remittance;

    (ii) authorize the Corporation, on behalf of the optionee, to sell in the market, on such terms and at such time or times as the Corporation determines, in its sole discretion, such portion of the common shares being issued upon exercise of the option as is required to realize cash proceeds in an amount necessary to fund the required tax remittance; or

    (iii) make other arrangements acceptable to the Corporation, in its sole discretion, to fund the required tax remittance;

(l) if a Change of Control Event occurs, all or any portion of the options granted under the Stock Option Plan which are not then vested shall automatically, and without any further action or approval whatsoever, vest in their entirety immediately prior to the realization or consummation of such Change of Control Event, and each optionee holding options under the Stock Option Plan shall be automatically permitted to exercise all such options in accordance with the Stock Option Plan;

(m) approval by the shareholders of the Corporation is required for the following amendments to the Stock Option Plan: (i) amendments to the number of shares issuable under the Stock Option Plan, including an increase to a maximum percentage or number of shares; (ii) any amendment to the Stock Option Plan that increased the length of the blackout extension period; (iii) any amendment which reduces the exercise price or purchase price of an option; (iv) any amendment extending the term of an option held by an “insider” beyond its original expiry date except as otherwise permitted by the Stock Option Plan; and (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange); and

(n) the Board of Directors of the Corporation may make the following types of amendments to the Stock Option Plan without seeking approval from the shareholders of the Corporation: (i) amendments of a “housekeeping” or ministerial nature, including any amendment for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange); (iii) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the Stock Option Plan; (v) any amendment to the vesting provisions of the Stock Option Plan or any option; (vi) any amendment to the early termination provisions of the Stock Option Plan or any option, whether or not such option is held by an “insider” of the Corporation, provided such amendment does not entail an extension beyond the original expiry date; (vii) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of eligible participants of shares under the Stock Option Plan, and the subsequent amendment of any such provisions; (viii) the addition or modification of a cashless exercise feature, payable in cash or shares of the Corporation; (ix) amendments necessary to suspend or terminate the Stock Option Plan; and (x) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

As of December 31, 2022, 1,598,938 options were granted and outstanding under the Stock Option Plan, representing 1.8% of the issued and outstanding common shares as at such date. As of December 31, 2022, 1,106,246 options remained available for future issuance under the Stock Option Plan, representing 1.3% of the issued and outstanding common shares as at such date.

During the fiscal year ended December 31, 2022, a total of 772,970 options were granted under the Stock Option Plan, representing 0.9% of the issued and outstanding common shares as at December 31, 2022.

In accordance with the requirements of section 613(d)(iii) and 613(p) of the TSX Company Manual, the following table sets out, among other things, the burn rate of the options granted under the Corporation’s Stock Option Plan as of the end of the fiscal year ended December 31, 2022, and for the two preceding financial years. The burn rate is calculated by dividing the number of options granted under the Stock Option Plan during the applicable fiscal year by the weighted average number of common shares outstanding for the applicable fiscal year.

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2020
Burn rate	0.9%	0.8%	0.1%

SARs

On June 7, 2010, the Board of Directors of the Corporation adopted a Restricted Share Unit for Foreign Employees plan (the "**RSUFE Plan**") which was slightly amended on November 7, 2012 by the Board of Directors to become the SAR Plan which replaced the RSUFE Plan. The SAR Plan enables the Corporation to award eligible participants phantom stock options to foreign directors, officers and employees. SAR-grant guidelines are established pursuant to the Governance & Compensation Committee's periodic review of the compensation policy, taking into account the competitiveness of total compensation and compensation practices within the Comparative Group, market trends as well as the Corporation's pay-for-performance philosophy. SAR grants are expressed as a percentage of a participant's salary, which is determined based on the participant's position and responsibility levels, without taking into account the number of SARs previously granted to and already held by such participant. SARs granted to NEOs usually have a six-year term and vest equally over a four-year period at an annual rate of 25% per year. SARs are settled in cash for an amount equal to the difference between the volume weighted average of the trading price of the common shares of the Corporation on the Toronto Stock Exchange in the last twenty (20) days immediately preceding the exercise date and the grant price of each SAR redeemed.

Upon a participant's employment with the Corporation being terminated for cause, any SAR not exercised prior to termination shall immediately lapse and become null and void.

If a participant dies, retires from the workforce, or becomes, in the determination of the Board of Directors, permanently disabled, while employed by the Corporation, any SAR or unexercised part thereof granted to the participant may be redeemed by the participant or the person to whom the SAR is transferred by will or the laws of succession and distribution only for that number of vested SARs which he or she was entitled to exercise under the SAR Plan at the time of his or her death, retirement or permanent disability, as the case may be. Such SARs are exercisable within one year after the participant's death, retirement or permanent disability, as the case may be, or prior to the end of the SAR expiry date, whichever occurs earlier.

Upon a participant's employment with the Corporation terminating or ending otherwise than by reason of death, retirement, permanent disability, or termination for cause, any SARs or unexercised part thereof granted to such participant may be redeemed by him or her only for that number of vested SARs which he or she was entitled to redeem under the SAR Plan at the time of such termination. A redemption notice must be sent to the Corporation for such SAR within thirty (30) days after such termination or prior to the end of the SAR expiry date or prior to the expiration of the term of the SAR Plan, whichever occurs earlier.

If a Change of Control Event occurs, all or any portion of the SARs granted under the SAR Plan which are not then vested shall automatically, and without any further action or approval whatsoever, vest in their entirety immediately prior to the realization or consummation of such Change of Control Event.

RSUs under the Old RSU Plan

On June 7, 2010, the Board of Directors of the Corporation adopted a RSU Plan (the "**Old RSU Plan**") to complement the Stock Option Plan. Minor amendments to the RSU Plan were adopted by the Board of Directors in May 2013. However, on November 4, 2015, the Board of Directors terminated the Old RSU Plan and replaced it with the New RSU & PSU Plan, thus no additional RSUs were credited to the accounts of participants under the Old RSU Plan. Only previously granted RSUs continued to vest and all RSUs were settled as per the terms of the Old RSU Plan.

RSUs and PSUs under the New RSU & PSU Plan

On November 4, 2015, the Board of Directors of the Corporation adopted the New RSU & PSU Plan to replace the Old RSU Plan, for the purpose of enhancing the Corporation's ability to attract and retain talented individuals to serve as employees, officers and executives of the Corporation and its affiliates and promoting a greater alignment of interests between such employees, officers and executives and the shareholders of the Corporation. RSU and PSU-grant guidelines are established pursuant to the Governance & Compensation Committee's periodic review of the compensation policy, taking into account the competitiveness of total compensation and compensation practices within the Comparative Group, market trends as well as the Corporation's pay-for-performance philosophy, and without taking into account the number of RSUs and PSUs previously granted to and already held by such participant. The New RSU & PSU Plan enables the Corporation to award to executives and other key employees : (i) phantom RSUs that vest no later than three years following the grant date; and (ii) phantom PSUs that vest after certain periods of time and subject to the achievement of certain performance criteria as determined by the Board of Directors. Such plan provides for the settlement of RSUs and PSUs through either cash or the issuance of common shares of the Corporation from treasury, for an amount equivalent to the volume weighted average of the trading price of the common shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the applicable RSU vesting determination date or PSU vesting determination date.

If a Change of Control Event occurs, all or any portion of the RSUs and PSUs granted under the New RSU & PSU Plan which are not then vested shall automatically, and without any further action or approval whatsoever, vest in their entirety immediately prior to the realization or consummation of such Change of Control Event and become exercisable in accordance with New RSU & PSU Plan.

RSUs and PSUs issued under the New RSU & PSU Plan may not be transferred or assigned other than by will or the laws of succession.

In the case of a participant's termination by the Corporation for cause or as a result of a voluntary resignation by the participant before the end of a performance cycle, all RSUs and PSUs will be cancelled immediately as of the date on which the participant is advised of his termination or resigns.

In the case of a participant's termination by the Corporation other than for cause, if such participant is deemed to be on long-term disability or if such participant retires before the end of a performance cycle, the number of RSUs which will vest at such event will be pro-rated based on the number of months worked at the end of the performance cycle and all PSUs will be cancelled immediately.

In the case of a participant's death before the end of a performance cycle, the number of RSUs which will vest will be pro-rated based on the number of months worked at the end of the fiscal year preceding the participant's death and all PSUs will be cancelled immediately.

The maximum number of common shares which may be issued under the New RSU & PSU Plan is 5,000,000 common shares (approximately 5.7% of the outstanding total of common shares as of December 31, 2022) in respect of RSUs or PSUs to be settled through the issuance of common shares but that have been forfeited, cancelled or settled in cash shall be available for RSUs or PSUs to be granted thereafter pursuant to this plan. No RSUs or PSUs to be settled through the issuance of common shares may be granted to any participant unless the number of common shares: (a) issued to "Insiders" within any one-year period; and (b) issuable to "Insiders" at any time, under the plan, or when combined with all of the Corporation's other security-based compensation arrangements, does not exceed 10% of the total number of issued and outstanding common shares, respectively.

Subject to the exceptions set out below, the Board of Directors may amend, suspend or terminate the New RSU & PSU Plan, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the New RSU & PSU Plan without seeking shareholder approval:

(i) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the New RSU & PSU Plan that is inconsistent with any other provision of the New RSU & PSU Plan;

(ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange);

(iii) amendments necessary in order for awards to qualify for favourable treatment under applicable taxation laws;

(iv) amendments respecting administration of the New RSU & PSU Plan;

(v) any amendment to the vesting provisions of the New RSU & PSU Plan or any award of RSUs or PSUs made thereunder (an "**Award**"), it being understood that in the event of the amendment to the vesting provisions of an Award, the Board of Directors shall not be under any obligation to amend the vesting provisions of any other Award;

(vi) any amendment to the early termination provisions of the New RSU & PSU Plan or any Award, whether or not such award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date;

(vii) amendments necessary to suspend or terminate the New RSU & PSU Plan; and

(viii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Shareholder approval will be required for the following types of amendments:

(i) amendments to the number of common shares issuable under the New RSU & PSU Plan, including an increase to a maximum percentage or number of common shares;

(ii) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Toronto Stock Exchange); and

(iii) any amendment to the amending provisions of the New RSU & PSU Plan.

As of December 31, 2022, 278,481 RSUs and nil PSUs were issued and outstanding under the New RSU & PSU Plan, together representing 0.3% of the issued and outstanding common shares as at such date. As of December 31, 2022, 4,721,519 RSUs and PSUs therefore remained available for future issuance under the New RSU & PSU Plan, representing 5.3% of the issued and outstanding common shares as at such date.

During the fiscal year ended December 31, 2022, a total of 95,881 RSUs and nil PSUs were granted under the New RSU & PSU Plan, representing 0.1% and 0.0% of the issued and outstanding common shares as at December 31, 2022, respectively, and 0.1% in the aggregate.

In accordance with the requirements of section 613(d)(iii) and 613(p) of the TSX Company Manual, the following table sets out, among other things, the burn rate of the awards granted under the Corporation's New RSU & PSU Plan as of the end of the fiscal year ended December 31, 2022 and for the two preceding financial years. The burn rate is calculated by dividing the number of RSUs and PSUs granted under the New RSU & PSU Plan during the applicable fiscal year by the weighted average number of common shares outstanding for the applicable fiscal year.

	Fiscal year ended December 31, 2022	**Fiscal year ended December 31, 2021**	**Fiscal year ended December 31, 2020**
Burn rate	0.1%	0.2%	0.3%

DSUs

On May 7, 2014, the Board of Directors of the Corporation adopted the DSU Plan to enhance the Corporation's ability to attract and retain individuals with the right combination of skills and experience to serve on the Corporation's Board or as the Corporation's executives.

Each Board director shall have the right to elect twice each calendar year to receive all or part of his or her annual retainers in DSUs and a designated executive may be offered by the Board to convert for a calendar year all or part of his or her bonus amounts in DSUs. DSUs granted to a Board director or designated executive vest immediately upon conversion of his or her annual retainer or bonus amounts respectively into DSUs, unless the Board decides otherwise at its sole discretion.

Each vested DSU is settled in cash upon such participant's Termination of Service, for an amount equivalent to the volume weighted average of the trading price of the common shares of the Corporation on the Toronto Stock Exchange on the twenty (20) trading days immediately preceding the payment date of the DSUs. "**Termination of Service**" means the termination of (i) the mandate and assignment of a director as a member of the Board or (ii) the office or employment of a designated executive with the Corporation, including in the event of a dismissal, a retirement, a long-term disability or the death of a designated executive.

In the case of a participant's termination by the Corporation for cause or as a result of a voluntary resignation by the designated executive, all DSUs will be cancelled immediately as of the date on which the participant is advised of his termination or resigns.

The Governance & Compensation Committee believes that the terms and conditions of the Stock Option Plan combined with those of the SAR Plan, the New RSU & PSU Plan and the DSU Plan adequately meet the objectives of attracting and retaining quality executives while promoting long-term profitability and maximizing shareholder value.

It is the intent of the Corporation that the target total direct compensation, which is the aggregate of salary, target annual bonus and estimated value of LTIP be between the 25th percentile and the 50th percentile of the Comparative Group. However, target long-term incentive awards to the CFO are below the 25th percentile. The SD position was not in the Comparative Group analysis.

Securities Authorized for Issuance under Equity Compensation Plans – Equity Compensation Plan Information

The following table sets out certain details as at December 31, 2022 with respect to plans of the Corporation pursuant to which equity securities of the Corporation are authorized for issuance.

Plan category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by securityholders	1,877,419	$1.94	4,228,827
Equity compensation plans not approved by securityholders	–	–	–
Total	1,877,419	$1.94	4,228,827

Assessment of Risk Associated with the Corporation's Compensation Policies and Practices

The Governance & Compensation Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Governance & Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Corporation has not adopted a policy restricting its NEOs or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its NEOs or directors. To the knowledge of the Corporation, none of the NEOs or directors has purchased such financial instruments.

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Summary of the Compensation of the NEOs

The following table provides information for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020 regarding compensation paid to, or earned by, the NEOs in Canadian dollars.

Summary Compensation Table

					Non-Equity Incentive Plan Compensation		
Name and Principal Position	**Year**	**Salary ($)(1)**	**Share-Based Awards ($)(2)**	**Option-Based Awards ($)(3)**	**Annual Incentive Plans ($)(4)**	**All other Compensation ($)(5)**	**Total Compensation ($)**
Gervais Jacques President and CEO	2022	554,181	278,000	375,638	500,000	-	1,707,819
	2021	65,000	-	-	-	-	65,000
Richard Perron CFO	2022	347,770	64,339	64,339	180,840	20,433	677,721
	2021	338,625	63,389	531,181	193,016	20,159	1,146,369
	2020	333,620	39,033	36,209	200,172	20,387	629,421
Jürgen Heizmann(6) EVP-Semi	2022	187,254	-	-	-	312,943	500,197
	2021	290,177	-	325,228	119,238	225,157	959,800
Paul Tancell EVP-PER	2022	338,500	62,625	62,624	135,400	20,159	619,308
	2021	329,600	60,799	528,593	112,723	19,915	1,051,631
	2020	320,000	28,514	26,453	153,600	22,800	531,367
William Alexander SD	2022	287,273	-	-	67,274	10,607	365,154
	2021	276,720	-	-	79,765	11,069	367,554
	2020	296,147	-	-	114,169(7)	11,846	422,162

(1) This column discloses the actual salary earned during the fiscal year indicated. Mr. Alexander's salary is in U.S. dollars and Mr. Heizmann's is in euros. Mr. Alexander 's salary was converted to Canadian dollars using the average exchange rate of the Bank of Canada from January 1, to December 31, 2022 of US$1.00 = Cdn$1.3013. Mr. Heizmann's salary was converted using the average exchange rate of the Bank of Canada from January 1, to August 31, 2022 of 1.00 euro = Cdn$1.3701. Mr. Jacques was appointed Interim President and CEO on December 1, 2021 and received $65,000 as monthly consultation fees from December 1, 2021 to March 17, 2022. Mr. Jacques was appointed President and CEO on March 18, 2022.

(2) The amount is equal to the number of RSUs, PSUs and DSUs multiplied by the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange in the last five days (twenty days in the case of DSUs) immediately prior to the grant. See "Long-Term Incentive Plans — RSUs and PSUs under the New RSU & PSU Plan" and "Long-Term Incentive Plan — DSUs" above. All share-based awards have been reported, even though a number of these awards will only vest upon delivery of specific performance criteria. The granting of RSUs is usually based on the performance of a NEO during the previous fiscal year than the fiscal year indicated, and the actual value received will be different as it will depend on the value of the Corporation shares at the end of a performance cycle. DSUs are to be settled in cash only. RSUs and PSUs granted under the New RSU & PSU Plan are to be settled either in cash or by the issuance of common shares as determined by the Board of Directors on settlement dates.

(3) This column discloses the total value of stock options (or SARs) at the time of grant. It should be noted that the granting of stock options (or SARs) is usually based on the performance of a NEO during the previous fiscal year than the fiscal year indicated. These figures do not reflect the current value of the stock options (or SARs) or the value, if any, that may be realized if and when the stock options (or SARs) are exercised. The value of the stock option (or SAR) awards was calculated using the Black-Scholes option-pricing model (which is the most commonly used model for companies such as the Corporation) using the same assumptions used for determining the equity-based compensation expense in the Corporation's financial statements for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020 in accordance with the International Financial Reporting Standards (IFRS). These assumptions are:

	May 2022	March 2022	Dec. 2021	Nov. 2021	May 2021	Dec. 2020
Risk-free interest rate	2.7%	1.44%	1.28%	1.13%	0.7%	1.10%
Expected life of options	4 years	4 years	4 years	4 years	4 years	4 years
Expected volatility	53%	48%	48%	48%	50%	44%
Dividend rate	0%	0%	0%	0%	0%	0%
Exercise price	$1.23	$2.27	$2.42	$2.84	$3.38	$2.10

(4) See "Annual Incentive (Bonus)" above. Mr. Jacques' bonus was calculated based on his full-year annual base salary. Mr. Alexander's bonus was converted using the closing exchange rate of the Bank of Canada for the year of 2022 of US$1.00 = Cdn$1.3544.

(5) This amount includes the Corporation's contribution to the Deferred Profit Sharing Plan or, in the case of Mr. Alexander, to the 401K program, and in the case of Mr. Heizmann, to the retirement scheme of AZUR (see "Elements of Executive Compensation" above). In the case of Messrs. Perron and Mr. Tancell, this amount includes a car allowance. In the case of Mr. Heizmann, the amount in 2021 also includes a car taxable benefit and a one-time bonus payment in connection with the acquisition of AZUR in 2021, and the amount in 2022 includes a car taxable benefit and a severance package payable to Mr. Heizmann as a result of the cessation of his employment in August 2022. Mr. Heizmann will receive payments under his severance package until August 2023 in an aggregate amount of $299,730 representing 12 months' salary and other benefits payable to him under applicable law.

(6) Following the acquisition of AZUR, Mr. Heizmann was appointed Executive Vice-President, Specialty Semiconductors of the Corporation on November 5, 2021. He ceased acting in this capacity on August 24, 2022. These amounts include Mr. Heizmann's total compensation for the 2021 fiscal year and for the 2022 fiscal year until his departure in August 2022.
(7) Includes a US$40,000 special bonus in connection with objectives established in 2018 and attained at the end of the 2020 fiscal year.

Incentive Plan Awards

The following table sets out the details of all stock options (or SARs), RSUs, PSUs and DSUs held by the NEOs as at December 31, 2022.

	Option-Based Awards				Share-Based Awards[2]		
Name	**Number of securities underlying unexercised options**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Gervais Jacques[3]	700,000	1.23	May 20, 2028	1,176,000	200,000	582,000	277,861
Richard Perron	63,000	1.75	February 24, 2023	73,080	65,684	191,140	—
	35,165	2.71	February 23, 2024	7,033			
	30,940	3.43	March 1, 2025	-			
	48,651	2.10	March 2, 2026	39,407			
	48,212	3.38	May 13, 2027	-			
	500,000	2.42	December 1, 2027	245,000			
	72,970	2.27	March 7, 2028	46,701			
Jürgen Heizmann[4]	—	—	—	—	—	—	—
Paul Tancell	32,374	2.71	February 23, 2024	6,475	59,154	172,138	41,593
	25,822	3.43	March 1, 2025	—			
	35,542	2.10	March 2, 2026	28,789			
	46,244	3.38	May 13, 2027	—			
	400,000	2.42	December 1, 2027	196,000			
	71,025	2.27	March 7, 2028	45,456			
William Alexander	—	—	—	—	—	—	—

(1) This column sets out the aggregate value of in-the-money unexercised options (or SARs) as at December 31, 2022, calculated based on the difference between the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year, and the exercise price of the stock options (or SARS).
(2) This column sets out the market value of the RSUs, PSUs and DSUs on December 31, 2022, calculated based on the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year. Vesting of these RSUs, PSUs and DSUs is subject to the officer continuing to be employed at the end of a performance cycle.
(3) Mr. Jacques was appointed Interim President and CEO on December 1, 2021, and President and CEO on March 18, 2022.
(4) Mr. Heizmann ceased acting as Executive Vice-President, Specialty Semiconductors and Managing Director of AZUR on August 24, 2022. Following his departure, all SARs awards held by him were cancelled.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table sets out, for each NEO, the value of option-based awards and share-based awards which vested during the fiscal year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the fiscal year ended December 31, 2022.

Name	**Option-based awards Value vested during the year ($)[1]**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)[2]**
Gervais Jacques[3]	-	-	500,000
Richard Perron	56,791	52,925	180,840
Jürgen Heizmann[4]	-	-	-
Paul Tancell	55,971	47,770	135,400
William Alexander	-	10,213	67,274

(1) This amount corresponds to the difference between the closing price of the common shares of the Corporation on the Toronto Stock Exchange on the vesting date or the last day before the vesting date and the exercise price of the stock options (or SARs). The actual gain, if any, will depend on the value of the common shares on the dates on which the options (or SARs) are exercised. See "Long-Term Incentive Plan (Stock Options or SARs)" above.

(2) Corresponds to the same amount as disclosed in column "Non-Equity Incentive Plan Compensation — Annual Incentive Plan" of the "Summary Compensation Table" above.
(3) Mr. Jacques was appointed Interim President and CEO on December 1, 2021 and as President and CEO on March 18, 2022.
(4) Mr. Heizmann ceased acting as Executive Vice-President, Specialty Semiconductors and Managing Director of AZUR on August 24, 2022. Following his departure, all SARs awards held by him were cancelled, and he was not entitled to any non-equity incentive plan compensation.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

Termination and Change of Control Benefits

The employment agreements entered into by the Corporation with the NEOs contain customary confidentiality provisions as well as non-competition and non-solicitation provisions for periods of two years post-employment (or, in the case of Mr. Alexander, for a period of one year post-employment). Provided a NEO's employment is terminated by the Corporation without cause, such NEO would be entitled to severance payments as detailed in the table below.

The table below sets out the dates, terms and conditions applicable to each NEO, as well as the severance payment that would have been payable had the Corporation terminated their employment without cause on December 30, 2022 (the last business day of 2022).

Name(1)	Original employment date	Severance entitlement (number of months' base salary)		Severance payable as of December 31, 2022	
		Minimum	Maximum	Number of months' salary	Amount
Gervais Jacques	March 18, 2022	12	12	12	$500,000(2)
Richard Perron	March 17, 2014	12	12	12	$347,770(3)
Paul Tancell	February 20, 2017	6	12	12	$338,500(4)
William Alexander	May 23, 2011	-	-	-	$0

(1) Mr. Heizmann ceased acting as Executive Vice-President, Specialty Semiconductors and Managing Director of AZUR on August 24, 2022. Details with respect to the severance package payable to Mr. Heizmann following the cessation of his employment are set forth at note 5 of the "Summary Compensation Table" above.
(2) In addition to the amount disclosed in the above table, Mr. Jacques would have also been entitled to (i) an amount equal to his average annual bonus, calculated on the basis of the average of the annual bonuses received in the last three (3) years (or those completed years) preceding the date of termination of his employment, (ii) a payment equal to the value, as of the date of termination of his employment, of the costs of providing one year coverage under the life insurance policy and under all other health and benefits programs and plans in force immediately prior to the date of termination, excluding any payment for the termination of the short-term and long-term disability plans, and (iii) a payment of all amounts and sums to be paid by the Corporation under any retirement plan for a period of twelve (12) months following termination, (iv) $397,872, being an amount equal to the value of all DSUs vested as well as those not yet vested, pro-rated to reflect the period of time into the performance cycle as at December 31, 2022 calculated based on the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year.
(3) In addition to the amount disclosed in the above table, Mr. Perron would have also been entitled to $103,477, being an amount equal to the value of all RSUs vested as well as those not yet vested, pro-rated to reflect the period of time into the performance cycle as at December 31, 2022 calculated based on the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year.
(4) In addition to the amount disclosed in the above table, Mr. Tancell would have also been entitled to (i) $129,475, being an amount equal to the value of all RSUs vested as well as those not yet vested, pro-rated to reflect the period of time into the performance cycle as at December 31, 2022 calculated based on the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year, (ii) $94,369 being the value of all vested unexercised in-the-money SARs calculated based on the closing price of the common shares on the Toronto Stock Exchange on December 30, 2022 ($2.91).

Had a NEO's employment been terminated without cause on December 31, 2022, any outstanding options previously granted to such NEO and vested on that date and not exercised within a thirty-day period following such termination would have been cancelled. Any outstanding and vested in-the-money SARs previously granted to such NEO would have been paid within a ten-day period following such termination and the remaining outstanding SARs would have been cancelled.

The Corporation also entered into change of control agreements (the "**Change of Control Agreements**") with Messrs. Jacques, Perron and Tancell. The purpose of these agreements is to reinforce and encourage each officer's continued attention and dedication to his or her assigned duties without distraction in the face of solicitations by other employers and the potentially disruptive circumstances arising from the possibility of a change of control of the Corporation. Under the Change of Control Agreements, an officer must be terminated without cause or must resign for good reason within two years of a change of control event in order to receive benefits. The Corporation believes this "double-trigger" practice is in the best interest of shareholders as it does not pay any benefits to an officer unless he or she is negatively impacted by a change of control event that is in the best interest of the Corporation's shareholders.

The following benefits would be payable to each of Messrs. Jacques, Perron and Tancell following a change of control in circumstances described above:

(a) an amount equal to twice the officer's base salary, at the rate in effect at the time of termination of employment; plus

(b) an amount equal to twice the officer's average annual bonus, calculated on the basis of the average of the annual bonuses received by the officer in the last three (3) years preceding the date of termination of the officer's employment; plus

(c) a payment equal to the value, as of the date of termination of the officer's employment, of the costs of providing two (2) years coverage (one (1) year with respect to Mr. Tancell) under the life insurance policy and under all other health and benefits programs and plans in force immediately prior to the date of termination, excluding any payment for the termination of the short-term and long-term disability plans; plus

(d) a payment of all amounts and sums to be paid by the Corporation under any retirement plan applicable to the officer for a period of twenty-four (24) months following termination (twelve (12) months with respect to Mr. Tancell); plus

(e) a payment equal to all monetary compensation available to the officer under any LTIP or similar plans considering that all stock options (or SARs) and restricted share units previously granted to the officer under the LTIP shall become fully vested and payable on the date the officer's employment is terminated.

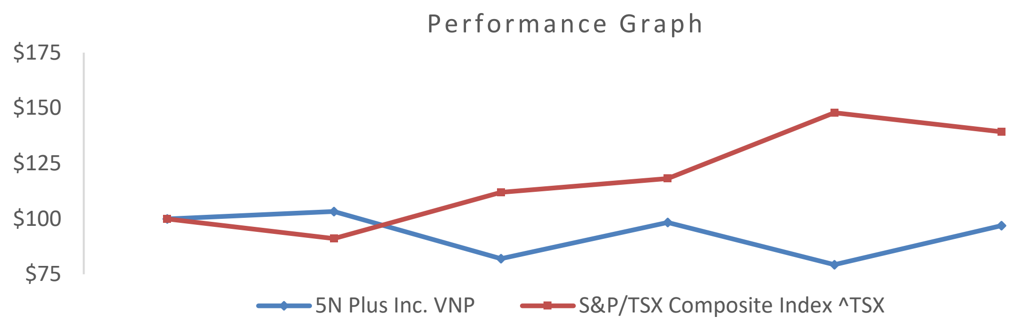
Based on the above terms and conditions, the table below sets out the severance payment applicable to all NEOs, had the NEOs employment been terminated as at December 30, 2022 (the last business day of 2022) following a change of control event.

Severance Entitlement following a Change of Control

Name	Severance Payment	Value of Early Vested Options and Share-Based Awards	Other Benefits	Total
Gervais Jacques	$2,000,000	$2,035,861	$40,000	$4,075,861
Richard Perron	$1,078,226	$602,362	$30,866	$1,711,454
Paul Tancell	$944,815	$490,451	$20,310	$1,455,576
William Alexander	$0	$0	$0	$0

Performance Graph

The following graph compares the total return of a $100 investment in the common shares of the Corporation made on December 31, 2017, with the cumulative return of the S&P/TSX Composite Index for the period from December 31, 2017 to December 30, 2022, the last trading day in the 2022 fiscal year.



During this period, salaries of executive officers have been adjusted annually to reflect their respective scope of responsibilities, experience and contribution to the Corporation's success. Annual variable compensation reflects the Corporation's annual operational financial performance during the period as well as each individual's contribution to the Corporation's strategy and growth. The ultimate value of long-term incentives in the form of stock options, SARs, RSUs, PSUs and DSUs granted during the period is linked to the Corporation's share price increase or decrease during and beyond this period.

Compensation of Directors

In establishing and reviewing the Corporation's director compensation program, the Board of Directors has three goals:

- recruit and retain qualified individuals to serve as members of the Board and contribute to the Corporation's overall success;
- align the interests of the Board and shareholders by requiring directors to own at least a minimum number of shares and/or DSUs, and permitting directors to receive up to 100% of their annual retainer in DSUs; and
- pay competitively by positioning director compensation near or at the median of the Comparative Group (as defined above).

The table below list the annual retainers payable to non-executive directors:

Annual board retainers	
Chairman ($75,000 in DSUs)	$150,000
All other directors ($65,000 in DSUs)	$100,000
Annual committee chair retainers	
Audit and Risk Management	$25,000
Governance and Compensation	$18,000
Annual committee members retainers	
Audit and Risk Management	$7,000
Governance and Compensation	$6,000

Annual retainers are payable in cash and DSUs as set forth in the table above; however, directors can elect to receive their entire annual retainer in DSUs.

The aggregate amount of such fees and share-based awards incurred by the Corporation for the fiscal year ended December 31, 2022 was $419,000.

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The following table sets out the compensation paid to or earned by the Corporation's non-executive directors for the financial year ended December 31, 2022.

Name and principal position	Year	Fees earned[(1)] ($)	Share-based awards[(2)] ($)	Option-based awards[(3)] ($)	Non-equity incentive plan compensation[(4)] ($)	Pension value[(5)] ($)	All other compensation[(6)] ($)	Total compensation ($)
Luc Bertrand Chairman of the Board	2022	—	163,000	—	—	—	—	163,000
Jean-Marie Bourassa Chairman of the Audit & Risk Management Committee	2022	—	131,000	—	—	—	—	131,000
Nathalie Le Prohon Chair of the Governance & Compensation Committee	2022	—	125,000	—	—	—	—	125,000
James T. Fahey[(7)] Member of the Audit & Risk Management Committee and member of the Governance & Compensation Committee	2022	—	—	—	—	—	—	—

(1) This amount represents the aggregate of the annual retainer and meeting attendance fees paid in cash to the director as described above. All of the independent directors have elected to receive their entire 2022 annual retainer in the form of DSUs. Meeting attendance fees are no longer paid to directors of the Corporation.

(2) The Corporation has a share-based compensation plan in the form of the DSU Plan. This amount is equal to the number of DSUs multiplied by the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange in the last twenty days immediately prior to their grants.

(3) This column sets out the total value of stock options granted to the directors during the last fiscal year.

(4) The Corporation does not have any non-equity long-term incentive plan for directors.

(5) The Corporation does not provide directors with any retirement benefits.

(6) The Corporation does not provide directors with any other form of compensation.

(7) In February 2022, we were deeply saddened by the loss of fellow director James T. Fahey, after a courageous battle with cancer.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each director of the Corporation all awards outstanding as at December 31, 2022.

	Option-based awards				Share-based awards[(1)]		
Name	Number of securities underlying unexercised options	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed[(1)] ($)
Luc Bertrand Chairman of the Board	—	—	—	—	—	—	1,362,910
Jean-Marie Bourassa Chairman of the Audit & Risk Management Committee	—	—	—	—	—	—	1,488,130
Nathalie Le Prohon Chair of the Governance & Compensation Committee	—	—	—	—	—	—	1,244,371
James T. Fahey[(2)] Member of the Audit & Risk Management Committee and member of the Governance & Compensation Committee	—	—	—	—	—	—	797,554
Gervais Jacques[(3)] President and CEO	—	—	—	—	—	—	—

(1) This column sets out the market value of the DSUs as at December 31, 2022, calculated based on the closing price of the common shares on the Toronto Stock Exchange as at December 30, 2022 ($2.91), the last trading day in the 2022 fiscal year.
(2) In February 2022, we were deeply saddened by the loss of fellow director James T. Fahey, after a courageous battle with cancer. This amount is equal to the number of DSUs multiplied by the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange in the last twenty days immediately prior to his death.
(3) The information on Mr. Jacques' share-based awards is fully described in the "Incentive Plan Awards" table.

Incentive Plan Awards - Value Vested or Earned during the Year

The following table sets out, for each director of the Corporation, the value of option-based awards and share-based awards which vested during the fiscal year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the fiscal year ended December 31, 2022.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)(1)	Non-equity incentive plan compensation – Value earned during the year ($)(2)
Luc Bertrand	—	163,000	—
Jean-Marie Bourassa	—	131,000	—
Nathalie Le Prohon	—	125,000	—
Gervais Jacques(3)	—	—	—
James T. Fahey(4)	—	—	—

(1) The Corporation has a share-based compensation plan in the form of the DSU Plan. This amount is equal to the number of DSUs multiplied by the volume weighted average trading price of the common shares of the Corporation on the Toronto Stock Exchange in the last twenty days immediately prior to the grant.
(2) The Corporation does not have any non-equity incentive plan for directors.
(3) The information on Mr. Jacques's share-based awards is fully described in the "Incentive Plan Awards" table.
(4) In February 2022, we were deeply saddened by the loss of fellow director James T. Fahey, after a courageous battle with cancer.

Share Ownership Requirements for Directors

The Board of Directors adopted on May 7, 2014 a policy intended to encourage non-executive directors to hold common shares or DSUs (including debentures convertible into common shares) of the Corporation for an amount equivalent to three times the annual retainer received as a director excluding the attendance fees. Directors have a period of three years from the date of their appointment as a director or from the date of an increase in the annual retainer paid to directors to comply with this policy.

The common shares and DSUs are valued at the greater of the market price of the Corporation's common shares on the Toronto Stock Exchange as of December 31 of each year or the weighted average purchase price of the applicable shares. The Board of Directors may grant exceptions to this policy where circumstances warrant, including, but not limited to, tax and estate planning considerations. No such exception is currently in place.

The following table shows the number of securities of 5N Plus owned by non-executive directors and the market value of such securities as of April 4, 2023.

Director	Annual retainer	Holding requirement	Number of common shares owned	Number of DSUs owned	Total number of common shares and DSUs	Total market value of shares and DSUs(1)	Date by which minimum ownership level must be met	Value Held as Multiple of Board Retainer
Luc Bertrand	$88,000	$264,000	2,200,000	468,354	2,668,354	$7,764,910	January 16, 2019	29.4 times
Jean-Marie Bourassa	$66,000	$198,000	1,444,300	511,385	1,955,685	$5,691,043	May 7, 2017	28.7 times
Blair Dickerson	-	-	-	-	-	-	February 23, 2026	-
Nathalie Le Prohon	$60,000	$180,000	218,800	427,619	646,419	$1,881,079	May 7, 2017	10.5 times

(1) Greater of market value as at December 31, 2022 ($2.91) or weighted average purchase price of the applicable common shares or DSUs.

Indebtedness of Directors and Executive Officers

No person who is, or who was at any time during the fiscal year ended December 31, 2022, a director, executive officer or senior officer of the Corporation or a subsidiary thereof, and no person who is a nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended December 31, 2022, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year ended December 31, 2022 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation.

Interest of Informed Persons in Material Transactions

For the purposes of this Management Proxy Circular, “informed person” means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of the Corporation; (iii) any person or corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or corporation as underwriter in the course of a distribution; and (iv) the Corporation if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the best of the Corporation’s knowledge, no informed person of the Corporation, and no associate or affiliate of the foregoing persons, at any time since the beginning of the Corporation’s last completed financial year, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the Corporation’s last completed financial year that has materially affected the Corporation, or in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at this Meeting.

Interest of Certain Persons and Companies in Matters to be Acted Upon

No director, proposed director nominee or officer of the Corporation, or any person who has been a director or officer of the Corporation at any time since the beginning of the Corporation’s last fiscal year, nor any associate or affiliate of any such person, 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, other than as set forth in this Management Proxy Circular.

Audit & Risk Management Committee Information

Reference is made to the section entitled “Information on the Audit Committee” of the Corporation’s Annual Information Form for the fiscal year ended December 31, 2022 for required disclosure relating to the Audit & Risk Management Committee. The Annual Information Form is available on SEDAR at www.sedar.com and can be obtained by contacting the Secretary of the Corporation at 4385 Garand, Montreal, Québec H4R 2B4, telephone (514) 856-0644.

Corporate Governance

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

The Board has responsibility for the stewardship of the Corporation and has adopted a formal charter (reproduced as Appendix A of this Management Proxy Circular) setting out the Board’s stewardship responsibilities, including the Board’s responsibilities for overseeing integrity and ethics, the appointment of the Chief Executive Officer, management of the Board, strategic and succession planning, monitoring corporate and financial performance, financial reporting, risk management and oversight of the Corporation’s policies and procedures, communications, reporting and compliance with laws.

Independence of the Board

The Board of Directors shall at all times be comprised of a substantial majority of independent directors who qualify as independent directors. Based on the information provided by each director nominee, the Board considers that all director nominees standing for election to the Board, with the exception of the President and Chief Executive Officer, Gervais Jacques, are independent.

Board Mandate

The Board has adopted a written charter. The Board of Directors’ stewardship role, specific responsibilities, compositional requirements and various other matters are set forth in Appendix A – Charter of the Board of Directors to this Management Proxy Circular.

Size of the Board

The articles of the Corporation provide that the Board shall consist of a maximum of 15 directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board is reassessed by the Governance & Compensation Committee to determine if a different number would be more effective and will recommend changes to the Board when appropriate.

Serving on Multiple Boards

The Corporation does not have a policy limiting the number of other company boards of directors upon which a director may sit. The Corporation values the experience and perspective that directors bring from their service on other boards, but also recognizes that other board memberships and activities may also limit a director's time and availability and may present conflicts of interest or legal issues, including independence issues. As a general rule, independent directors of the Corporation may serve as a director on a maximum of four public company boards (including the Board). The President and CEO shall obtain the approval of the Chair of Governance & Compensation Committee before accepting an invitation to serve on the board of any other public company. Furthermore, no director shall serve as a director, officer or employee of a competitor of the Corporation.

The following directors are currently directors of reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Jean-Marie Bourassa	Savaria Corporation
Luc Bertrand	Boston Options Exchange Montreal Canadiens/CH Group Inc. (Chair) TMX Group
Gervais Jacques	Nemaska Lithium Airex Energy

Primary Employment Status Change

Any independent director who makes a major change in his or her primary employment status after election to the Board shall inform the Chair of the Governance & Compensation Committee. The Governance & Compensation Committee will review with the Board the effects of this change upon the interests of the Corporation and recommend to the Board if the director's resignation is required. When the CEO or any other officer ceases to be an officer, such officer, if a director, shall submit his or her resignation to the Board. Whether that resignation is accepted shall be determined by the Board, taking into account the circumstances existing at that time.

In-Camera Sessions of Independent Directors

The Board has determined that directors should have the opportunity to meet in-camera in conjunction with every regularly scheduled meeting of the Board or Committees to discuss matters of interest independent of management.

During the fiscal year ended December 31, 2022, the independent directors met without the non-independent director and members of management five times. These meetings were chaired by the Chairman of the Board.

Board and Committee Meeting Attendance

During the period from January 1, 2022 to December 31, 2022, the Board of Directors held 6 meetings, the Audit & Risk Management Committee held 4 meetings and the Governance & Compensation Committee held 2 meetings. Overall, directors attended 100% of the meetings held by the Board of Directors and its committees other than Mr. Fahey, who did not attend any meetings due to serious health issues, and sadly passed away in February 2022.

The following table presents a detailed record of the number of board meetings and committee meetings attended by each director.

	Board of Directors (6 meetings)		Audit & Risk Management Committee (4 meetings)		Governance & Compensation Committee (2 meetings)		Total Attendance
Director	Number	%	Number	%	Number	%	%
Luc Bertrand	6	100%	3	100%(1)	1	100%(2)	100%
Jean-Marie Bourassa	6	100%	4	100%	1	100%(2)	100%
Nathalie Le Prohon	6	100%	3	100%(1)	2	100%	100%
Gervais Jacques(3)	6	100%	1	100%	1	100%	100%
James T. Fahey(4)	0	0%	0	0%	0	0%	0%

(1) Mr. Bertrand and Ms. Le Prohon were both appointed to the Audit & Risk Management Committee in March 2022 and were therefore not required to be present at the Committee's meeting held in February 2022.

(2) Mr. Bertrand and Mr. Bourassa were both appointed to the Governance & Compensation Committee in March 2022 and were therefore not required to be present at the Committee's meeting held in February 2022.

(3) Mr. Jacques was appointed Interim President and CEO on December 1, 2021, and was subsequently appointed as President and CEO on March 18, 2022. He attended one meeting of each of the Audit & Risk Management Committee and the Governance & Compensation Committee before his appointment as President and CEO in March 2022.

(4) Mr. Fahey did not attend any meetings of the Board or Board committees due to serious health issues. He passed away in February 2022.

Chairman of the Board

The Chair of the Board is appointed by the Board based on the recommendation of the Governance & Compensation Committee. The Chairman of the Board is Luc Bertrand, who is an independent director of 5N Plus. The Board has approved and periodically reviews a position description for the Chair of the Board.

Position Descriptions

Chairman of the Board

The Chairman of the Board of Directors chairs Board meetings and establishes procedures to govern the effective and efficient work of the Board and to support the Board's discharge of its responsibilities. The Chairman of the Board's main responsibilities are to: (i) provide effective leadership for the independent directors, (ii) set the agenda for Board meetings; (iii) ensure that the Board and each of its committees can function independently of management by meeting regularly without management as and when required; and (iv) facilitate the effective and transparent interaction of Board members and management.

Chair of each Committee

The Board of Directors has approved written position descriptions for the Chair of each committee of the Board of Directors. The primary role and responsibility of the chair of each committee of the Board of Directors is to: (i) in general, ensure that the committee fulfills its mandate, as determined by the Board of Directors; (ii) chair meetings of the committee and report thereon to the Board of Directors; (iii) act as liaison between the committee and the Board of Directors and, if necessary, management of the Corporation; and (iv) carry out other duties as requested by the Board, depending on needs and circumstances.

President and Chief Executive Officer

The Board of Directors has developed a written position description and has set objectives for the President and CEO. As President and CEO, the CEO has full responsibility for the day-to-day operations of the Corporation's business. The President and CEO's objectives constitute a mandate on a year-to-year basis. These objectives include a general mandate to maximize shareholder value. The Board of Directors approves the President and CEO's objectives for the Corporation on an annual basis.

Board Membership Criteria

The Governance & Compensation Committee is mandated to review the composition and contribution of the Board and its members and to recommend nominees to the Board. Nominees for directors are selected on the basis of, among other things, broad perspective, integrity, independence of judgment, experience, expertise, diversity, ability to make independent analytical inquiries, understanding of the Corporation's business environment and willingness to devote adequate time and effort to Board responsibilities.

Nomination of Directors

When the Board determines that new candidates for nomination to the Board are advisable, it approves an outline of the skills and background which are desired in a new candidate. Board members or management have an opportunity to suggest candidates for consideration by the Governance and Compensation Committee. Prospective candidates recommended by the Governance and Compensation Committee may be interviewed by the Chair of the Board and other Board members on an *ad hoc* basis. An invitation to join the Board is then extended only after the Board has reached a consensus on the appropriateness of the candidates.

In addition, a review of potential board candidates includes an assessment of independence under Canadian securities legislation and applicable stock exchange rules.

Assessments

From time to time, the Governance & Compensation Committee will sponsor an assessment of the overall performance and effectiveness of the Board, the committees, the chairpersons and directors, the results of which will be discussed with the full Board and each committee. The assessment will include a review of any areas in which the Board or senior management believes the Board can make a better contribution to the Corporation. The Governance & Compensation Committee will also utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

Term Limits

The Corporation's by-laws state that directors will not stand for re-election after reaching the age of 75 years. The Corporation has not adopted term limits for the directors on its Board. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold 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, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to term limits, the Governance & Compensation Committee, in conjunction with the Chair of the Board, will formally annually review each director's continuation on the Board.

Diversity

The Board of Directors recognizes the benefits that diversity brings to a board of directors. The Board of Directors believes that a board comprised of women and men representing diverse points of view, having regard to ethnicity, gender, age, national origin, Aboriginal status, disability, sexual orientation, cultural background, business experience, professional expertise, personal skills and geographic background, can add greater value than a board comprised of directors with similar perspectives and insights. In particular, the Board of Directors regards the involvement of women, Indigenous peoples, persons with disabilities and members of visible minorities (collectively, "**Designated Groups**") and their experience and input as constructive to successful decision-making and stewardship.

As at the date of this Management Proxy Circular, the Corporation has not adopted a written policy with respect to the representation of Designated Groups on the Board of Directors, though we consider diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for board membership. The Board of Directors does not foresee the adoption of such a policy in the near future, as it will require time to properly assess its objectives, targets and capabilities in order to identify and attract qualified candidates from Designated Groups to serve on the Board of Directors.

As at the date of this Management Proxy Circular, the Board of Directors has adopted a target of 30% of individuals from Designated Groups on the Board of Directors by 2025. With the appointment of Ms. Dickerson to the Board in February of this year, the Corporation has met this target.

In appointing individuals to executive officer positions, the Corporation will weigh a number of factors, including skills, experience and personal attributes required for the position along with the level of Designated Group representation within its senior management team. As at the date of this Management Proxy Circular, the Corporation has not adopted a target or percentage for Designated Groups in executive officer positions. The Board of Directors believes the most effective way to achieve greater diversity in its senior management team is to identify high-potential candidates from Designated Groups within the organization and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to eventually occupy executive officer positions. This includes taking action to build a culture of inclusion throughout the organization. The Board of Directors will, however, continue to evaluate the appropriateness of adopting targets in the future.

Of the five current directors serving on the Board of Directors of the Corporation as at the date hereof, and assuming all are elected to the Board at the Meeting, two directors (40%) are women and none identify as members of a visible minority, Indigenous peoples or persons with disabilities. As of the date of this Management Proxy Circular, there is no individual (0%) part of a Designated Group occupying an executive officer position within the Corporation.

Compensation

The Governance & Compensation Committee annually reviews both the amount and components of the compensation package for independent directors and for the chairpersons. The Governance & Compensation Committee is mandated to review and recommend to the Board for approval the remuneration of directors. The Governance & Compensation Committee considers time commitment, comparative fees and responsibilities in determining remuneration.

Orientation and Continuing Education

The Board considers that orienting and educating new directors is an important element of ensuring responsible governance. New directors are provided with an orientation and education program that includes written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors.

Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Board also relies on professional assistance when judged necessary.

Risk Management

The Board is responsible for understanding the principal risks associated with the Corporation's business on an ongoing basis and for ensuring that management has implemented appropriate strategies to manage these risks. It is the responsibility of management to assure that the Board and its committees are kept well informed of these changing risks on a timely basis.

It is important that the Board understands and supports the key risk decisions of management, which includes comprehending the appropriate balance between risks and benefits. The Audit & Risk Management Committee has been delegated the responsibility to monitor, review with management and make recommendations related to the Corporation's programs and policies which relate to management of the key risks of the Corporation and reports on these matters to the Board.

Code of Business Conduct

The Board of Directors adopted a Code of Business Conduct (the "**Code**") applicable to directors, senior officers and employees of the Corporation which was last amended in November 2021. The text of the *Code of Business Conduct* is available at www.sedar.com and www.5nplus.com.

The Board expects all directors, officers and employees of the Corporation to conduct themselves in accordance with the highest ethical standards and to adhere to the Code. The directors encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

The Board shall not permit any waiver of any ethics policy with respect to any director, executive officers or employees. The Board requires all directors, officers and employees to certify annually their compliance with the Code.

The Code also provides that each director is required to inform the Board of any potential or actual conflict of interest he or she may have with the Corporation. 5N Plus' policies on conflicts of interest are reflected in the Code, these guidelines and supplemental guidance provided to the Board. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chair of the Board and the Chair of the Governance & Compensation Committee. The director must not receive or review any materials related to the conflict subject area, nor may the director attend any part of a meeting during which the matter is discussed or participate in any vote on the matter, except where the Board or the applicable committee has expressly determined that it is appropriate for him or her to do so. If a significant conflict exists and cannot be resolved, the director shall resign.

Board Committees

The Board has two Board committees: (i) the Audit & Risk Management Committee and (ii) the Governance & Compensation Committee. Each committee shall operate according to a written charter outlining its duties and responsibilities approved by the Board. The Board may, from time to time, establish and maintain additional or different committees as it deems necessary or appropriate.

Each of the Audit & Risk Management Committee and the Governance & Compensation Committee shall be composed entirely of independent directors satisfying applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee. In addition, all members of the Audit & Risk Management Committee shall be financially literate as required by NI 52-110. Luc Bertrand, Jean-Marie Bourassa and Nathalie Le Prohon, the three current members of the Audit, & Risk Management Committee have no material relationship with the Corporation and, in the opinion of the Board, are independent within the meaning of NI 52-110. Mrs. Le Prohon and Mr. Bertrand were appointed to the Audit & Risk Management Committee on March 18, 2022. For more information on the composition, purpose and responsibilities of the Audit & Risk Management Committee, we refer you to the section entitled "Information on the Audit Committee" of the Corporation's Annual Information Form for the fiscal year ended December 31, 2022.

The current members of the Governance & Compensation Committee are Nathalie Le Prohon, Luc Bertrand and Jean-Marie Bourassa. The Governance & Compensation Committee's primary role and responsibility concerns human resources and compensation policies and processes. Among the main responsibilities of the Governance & Compensation Committee is recommending the compensation of the Corporation's executive officers to the Board of Directors. If the Governance & Compensation Committee considers it necessary, it may investigate and review any human resources or compensation matter relating to the Corporation. The Governance & Compensation Committee may, with approval of the Board of Directors, retain outside experts and engage special legal counsel, if necessary.

Additional Information

Financial information about the Corporation is contained in its comparative consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022, and additional information about the Corporation is available on SEDAR at www.sedar.com.

If you would like to obtain, at no cost to you, a copy of any of the following documents:

(a) the latest Annual Information Form of the Corporation together with any document, or the pertinent pages of any document, incorporated by reference therein;

(b) the comparative financial statements of the Corporation for the fiscal year ended December 31, 2022, together with the notes thereto and the accompanying report of the independent auditor thereon, and any interim financial statements of the Corporation for periods subsequent to December 31, 2022 and Management's Discussion and Analysis with respect thereto; and

(c) this Management Proxy Circular,

Please send your request to: 5N Plus Inc., 4385 Garand, Montreal, Québec, H4R 2B4
Telephone: (514) 856-0644
Fax: (514) 856-9611

Authorization

The contents and the mailing of this Management Proxy Circular to the shareholders of the Corporation who are entitled to receive notice of, and to vote their shares at, the Meeting, as well as to each director and to the auditors of the Corporation have been approved by the Board of Directors of the Corporation.

(s) Gervais Jacques

Gervais Jacques
President and Chief Executive Officer

Montreal, Québec
April 4, 2023

APPENDIX "A"
CHARTER OF THE BOARD OF DIRECTORS

OBJECTIVES

The Board of Directors (the "**Board**") is responsible for the overall stewardship of 5N Plus Inc. (the "**Company**") and overseeing the management of the Company's business and affairs in the best interests of the Company's shareholders and other stakeholders. Senior management of the Company is responsible for the day-to-day management of the Company.

The Board may discharge its responsibilities by delegating certain duties to committees of the Board and management. The specific duties delegated to each committee of the Board are outlined in the charter for those committees.

COMPOSITION

The articles of the Company provide that the number of directors to be elected at a meeting of shareholders will be a maximum of 15 directors, a majority of whom are independent directors. The Chief Executive Officer (the "**CEO**") will be a member of the Board.

The Board will refer to the applicable legal requirements and the rules of any stock exchange on which the Company's securities are listed to determine whether a director is independent or not.

The Board should consist of professional and competent members with an appropriate mix of skills and abilities to ensure that the Board carries out its duties and responsibilities in the most effective manner and that the Company meets its legal, financial and operational objectives.

SELECTION OR APPOINTMENT OF DIRECTORS

Upon the recommendations of the Governance & Compensation Committee, the Board will review and approve:

a. list of nominees for independent Directors to the Board for election at the annual meeting of shareholders.
b. candidates to fill any casual vacancy occurring on the Board.
c. any change in the principal occupation of a Board member.

CHAIR OF BOARD

The Chair of the Board shall be an independent director. Should the Chair be a non-independent director, the Board shall appoint a lead director from among the independent directors. The Board has approved and shall periodically review the position description for the Chair of the Board.

MEETINGS

The Board will meet at least once each quarter to fulfill its duties, but in any event at least five times per year, with additional meetings if necessary. Meetings shall be at such place as any member of the Board shall determine. The Board may meet by telephone conference or by any other means permitted by law or the Company's by-laws.

The Chair of the Board shall be responsible for the agenda for each Board meeting. Board members are invited to suggest inclusion of items on the agenda and are free to raise, at any Board meeting, subjects that are not specifically on the agenda for that meeting.

The quorum necessary for the transaction of business of the directors may be set by the Directors to a number not less than 50% of the directors in office, and if not so set, is deemed to be a majority of the Directors in office.

The Chair of the Board (or, in the absence of the Chair of the Board, the acting Chair) of the Board shall appoint a person to act as secretary of meetings of the Board.

Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity, and subsequently presented to the Board for approval.

The Board encourages management to attend Board meetings, where appropriate, to provide additional insight to matters being considered by the Board. Management attendees will be excused for any agenda items which are reserved for discussion among directors only.

The Board should have an *in-camera* session without management present, including any management directors, as a regular feature of each Board meeting.

Each Director is expected to attend all meetings of the Board and be familiar with Board materials provided in sufficient time for review prior to the meeting.

The Board may, at the Company's expense, retain external advisors as it determines necessary or advisable to permit it to carry out its duties and responsibilities.

DUTIES AND RESPONSIBILITIES

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

1. Strategy and Budget

The Board will:

a. Review and approve at least on an annual basis, a strategic plan that must take into account, among others, the opportunities and risks of the Company's business.
b. Monitor the execution of the strategic plan by management and corporate performance against the Company's objectives and goals and assess developments which may affect the Company's strategic plan.
c. Review and approve, following recommendation from the Audit & Risk Management Committee, the Company's annual operating and capital budget.
d. Consider and approve transactions out of the ordinary course of the Company's business including, without limitation, proposals on mergers, acquisitions or other major investments or divestitures.
e. Review and approve all material transactions and investments expected to have an impact on the Company's shareholders.

2. Risk Management and Internal Controls

Upon the recommendations of the Audit & Risk Management Committee, the Board will:

a. Periodically review the significant risks and opportunities affecting the Company and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities.

b. Review the integrity of the Company's internal control over financial reporting, management of information systems, disclosure controls and procedures, financial disclosure and the safeguarding of the Company's assets.

c. Review and approve, the Company's quarterly and annual financial statements and related financial information.

d. Review and approve the disclosure in documents filed with securities regulators.

e. Appoint and remove, the Company's auditor, (including mandate, scope and performance), subject to the approval of shareholders.

3. Governance

The Board will:

a. Ensure that the Board may exercise its functions independently from executive management of the Company.

b. Oversee the development of the Company's approach to corporate governance, including the development by the Governance & Compensation Committee of corporate governance policies, principles and guidelines, and shall approve such policies, principles and guidelines, that are specifically applicable to the Company.

c. Review and approve the Company's Code of Business Conduct to promote integrity and deter wrongdoing that is applicable to Directors, officers, and employees of the Company. The Board shall also require management to establish processes and procedures to monitor compliance with the Code of Business Conduct.

4. Environment, Health and Safety

The Board will ensure through reasonable measures, that the Company has appropriate health, safety and environment policies and procedures and reviews any material issues relating to such matters and management's response thereto.

5. Communications

a. The Board will review annually the Company's Disclosure Policy that addresses how the Company interacts with shareholders, analysts and other stakeholders and contains measures to comply with continuous and timely disclosure obligations of important information and to avoid selective disclosure.

b. The Board will consider and review the means by which shareholders can communicate, including by email at conseil.administration@5nplus.com or through the Company's website.

6. Human Resources Management and Compensation

Upon the recommendations of the Governance & Compensation Committee, the Board will:

a. Appoint and replace the CEO of the Company and approve the CEO's compensation.

b. Approve the appointment of all members of executive management and any other appointed officers of the Company.

c. Review and approve on an annual basis, the succession planning including appointing, training, and monitoring of the executive officers and the CEO in particular.

d. Review and approve, written position description for the role of the CEO.

e. Review and approve, the corporate goals and objectives that the CEO and other executive officers are responsible for meeting, relevant to their compensation, and reviewing the performance of these individuals against such corporate goals and objectives.

f. Review and approve, the Company's overall system of executive compensation and determine all direct, indirect and incentive compensation, benefits and perquisites (cash and non-cash) for the executive officers.

g. Satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create and maintain a culture of integrity and accountability throughout the Company.

COMMITTEES OF THE BOARD

Subject to applicable law, the Board may, from time to time, establish and maintain additional or different committees other than the Audit & Risk Management Committee and the Governance & Compensation Committee, as it deems necessary or appropriate. Each committee shall be composed of a majority of independent directors and shall operate according to a written charter outlining its duties and responsibilities approved by the Board.

After considering the recommendation of the Governance & Compensation Committee, the Board will:

a) Review the appropriate structure, size, composition, mandate, and members for each Board committee, and approve any modifications if necessary.

b) Review, each charter and consider any suggested amendments for approval.

Each committee will report to the Board on its meetings and each member of the Board will have access to minutes of committee meetings, regardless of whether the director is a member of such committee.

BOARD COMPENSATION

The Board will consider and approve any proposed changes in compensation to be paid to independent members of the Board and committees and share ownership requirements on the recommendation of the Governance & Compensation Committee.

BOARD AND COMMITTEES EVALUATION

From time to time, the Board will assess:

The effectiveness and contribution of the Board, the Chair of the Board, each committee of the Board, their respective mandate, Chairperson, and individual directors and consider any recommendation provided by the Governance & Compensation Committee.

ORIENTATION AND CONTINUING EDUCATION

New directors are provided with an orientation and education program that includes written information about the duties and obligations of directors, the business and operations of the Company, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors.

Each director is expected to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director. The Board also relies on professional assistance when judged necessary.

LEGAL REQUIREMENTS

The Board will monitor compliance with all applicable laws and regulations.

ACCESS TO INFORMATION

The Board shall have access to all information, documents and records of the Company that it determines necessary or advisable to permit it to carry out its duties and responsibilities.

REVIEW OF CHARTER

The Board shall periodically review this charter, and approve any modification that it deems appropriate, and be responsible for approving any changes to the committee charters recommended by the relevant committee.

ADDITIONNAL RESPONSABILITIES

The Board shall perform any other function as prescribed by law or as not delegated by the Board to one of the committees of the Board or to management personnel.