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**Li-Cycle Holdings Corp.**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

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**FUNCTION AND PURPOSE**

The Audit Committee (the "**Committee**") will assist the Board of Directors (the "**Board**") of **Li-Cycle Holdings Corp.** (the "**Company**") in fulfilling its oversight responsibilities by:

- a) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures;
- b) ensuring compliance by the Company with applicable legal and regulatory requirements;
- c) reviewing areas of potential significant financial risk to the Company;
- d) evaluating the independent auditor's independence and qualifications; and
- e) monitoring the performance of the independent auditors, as well as any other public accounting firm engaged to perform other audit, review, or attestation services.

While the Committee has the duties and responsibilities set forth in this Charter, the role of the Committee is that of oversight. The Committee is not responsible for planning or conducting the audit or determining whether the financial statements of the Company are complete and accurate and in accordance with applicable accounting rules. Such activities are the responsibility of management and the independent auditors. The Committee and its members are not preparers, auditors, or certifiers of the financial statements or guarantors of the independent auditors' reports. It is not the duty or responsibility of the Committee to ensure that the Company complies with all laws and regulations. The Committee and each of its members will be entitled to rely on:

- a) the integrity of those persons and organizations within and outside of the Company from which it receives information;
- b) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which will be promptly reported to the Board); and
- c) representations made by management as to any audit and non-audit services provided by the independent auditors.

**COMPOSITION AND ORGANIZATION**

Membership and Qualifications

*Composition:* The Committee will be composed of at least three directors, including a chair of the Committee (the “**Chair**”), all appointed by the Board after considering any recommendation of the Nominating and Corporate Governance Committee. Each member of the Committee will serve until his or her successor is duly appointed, or upon resignation or removal by the Board.

*Independence:* Each member of the Committee must qualify as “independent” and meet the experience and expertise requirements of the applicable stock exchange and securities regulatory authorities. At least one member of the Committee must qualify as an “audit committee financial expert” as defined in accordance with the applicable securities regulatory authorities and stock exchanges on which the Company’s securities are listed.

*Financial Literacy:* All members of the Committee must be financially literate, as defined by the applicable securities regulatory authorities and stock exchanges on which the Company’s securities are listed. A director who is not financially literate may be appointed to the Committee, provided that such director becomes financially literate within a reasonable period of time following such appointment.

#### Meetings

*Frequency:* The Committee will meet at least four times a year at such times and locations (if any) as the Chair deems necessary to fulfill the Committee’s responsibilities. The Committee may meet with the independent auditors, members of the internal audit function and management jointly or separately, to the extent the Committee deems necessary and appropriate.

*Agendas and Notice:* In consultation with the Corporate Secretary, the Chair will establish the meeting dates and the meeting agenda. The Corporate Secretary will send notice of each Committee meeting and information concerning the business to be conducted at such meeting, to each member of the Committee not less than 48 hours prior to each meeting, provided that notice need not be sent for any regularly scheduled meeting. The Chair, or a majority of the members of the Committee, may call a special meeting of the Committee at any time. Attendance at a meeting shall constitute a waiver of notice of such meeting, except attendance for the express purpose of objecting to the notice. While the Committee is expected to communicate regularly with management of the Company, the Committee will exercise a high degree of independence in establishing its meeting agenda and in carrying out its responsibilities.

*Holding and Recording Meetings:* Committee meetings may be held in person, telephonically or by other electronic means, or action may be taken by written consent in accordance with the applicable corporate law. The Committee may act by a majority vote at a meeting of the Committee or unanimous written resolution. The Committee will keep written minutes of its meetings and submit such minutes to the Board. The Committee shall report regularly to the Board on its discussions and actions, including any significant issues or concerns that arise at its meetings, and shall make recommendations to the Board as appropriate. The independent auditor or any two directors of the Board may request the Chair call a meeting of the Committee

and may attend and participate in such meeting or inform the Committee of a specific matter of concern to the independent auditor or directors.

*Quorum:* A majority of the members of the Committee, present in person or by telephone or other electronic means, will constitute a quorum for meetings of the Committee.

## **AUTHORITY AND RESPONSIBILITIES**

### **Independent Auditors**

*Hiring and Selection of Independent Auditors:* The Committee will have the sole authority and the direct responsibility for the appointment, compensation, retention, termination and oversight of the independent auditors for the Company (including the resolution of disagreements between management and the independent auditors regarding financial controls or financial reporting) and the independent auditors will report directly to the Committee.

*Performance and Independence of Independent Auditors:* The Committee will evaluate the qualifications and performance and confirm the independence of the independent auditors on an ongoing basis, but not less frequently than annually. The Committee will confirm receipt from the independent auditors of a formal written statement delineating all relationships between the Company and its subsidiaries and the independent auditors, consistent with applicable accounting rules and standards. The Committee will discuss with the auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors and will take, or recommend that the Board take, appropriate action to oversee the independence of the auditors. The Committee shall review a written report from the independent auditors explaining the auditors' internal quality-control procedures and any issues raised by the most recent internal quality-control review (or any peer review or inquiry or investigation by governmental or professional authorities).

*Approval of Independent Auditor Services:* The Committee will review and approve the independent auditors' annual engagement letter and all audit, audit-related, tax and other non-audit permissible services proposed to be provided by the independent auditors, and the fees for such services. The Committee is responsible for establishing policies and procedures for the Committee's pre-approval of permitted services by the independent auditors or other registered public accounting firms on an on-going basis. So long as any pre-approval of any transaction or service is presented to the full Committee at its next regularly scheduled meeting, the Committee can delegate to the Chair or one or more members of the Committee the authority to pre-approve audit and permissible non-audit services.

*Oversight of Auditors; Audit Plan.* The Committee will review and discuss with the independent auditors the overall scope and results of the annual audit and other financial reviews, including the adequacy of staffing and rotation of audit partners as required by applicable law or regulatory authority.

*Review of Independent Auditor Report:* The Committee will review: (i) any reports required to be prepared by the independent auditors on all critical accounting policies and practices to be used; (ii) all alternative treatments within applicable accounting rules for policies and practices related to material items that have been discussed with management, including the ramifications of such alternative disclosures and treatments and the treatment preferred by the independent auditors; (iii) other significant reporting issues and judgments, significant regulatory, legal and accounting initiatives, rules and developments that may have a material impact on the Company's financial statements and their anticipated impact, compliance programs and policies; and (iv) any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences. The Committee will also discuss with the independent auditors and then disclose those matters whose disclosure is required by applicable accounting or auditing standards.

#### Financial Reporting Process

*Accounting Procedures:* The Committee will assist the Board in discharging its responsibility in relation to the quality, acceptability, and integrity of the Company's accounting policies and principles, reporting practices and internal controls.

*Open Communication:* The Committee will provide and facilitate an open avenue of communication between the independent auditors, the Board, management and the accounting and finance department of the Company. The independent auditor shall have a direct line of communication to the Committee and may bypass management if deemed necessary. The independent auditor shall report to the Committee and is ultimately accountable to the Committee and the Board.

*System of Financial Controls:* The Committee will discuss with management, and provide oversight over, the design, implementation, adequacy and effectiveness of the Company's internal controls and disclosure controls and procedures, and material changes in such controls (including all internal and external people, resources, policies, processes and enforcement) aimed at ensuring the integrity and compliance of the books and records of the Company with International Financial Reporting Standards ("IFRS") and other applicable laws and regulations and sound business practices, as well as protecting the value of the assets of the Company and safeguarding the credibility of its brand, employees, management team, the Board and shareholders.

The Committee will review any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting, and any required disclosures regarding the Company's internal controls. The Committee will also review with management and the independent auditors processes to ensure (i) that the necessary books, records and accounts have sufficient detail to accurately and

fairly reflect the Company's transactions; (ii) that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and for the review of the Company's disclosure controls and procedures and to periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration; and (iii) that adequate processes are in place for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud.

*Annual Audit Review:* The Committee will review with management and the independent auditors the results of the annual audit of the Company for each fiscal year together with the independent auditors' audit report thereon, including the Company's accounting principles and practices, significant judgments, estimates, known and likely misstatements identified during the audit (other than those the independent auditors believe to be trivial). In performing such review, the Committee will review the scope of the audit, the audit procedures utilized, any difficulties or disputes encountered during the audit, any changes in accounting practices or principles, and any other matters related to the conduct of the audit brought to the Committee's attention by management or the independent auditors, or which are raised by members of the Committee. In connection with the annual reviews, the Committee will inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risk or exposure. Such risks and exposures may include but are not limited to: (i) threatened and pending litigation; (ii) claims against the Company or any of its subsidiaries; (iii) tax matters, regulatory compliance and correspondence from regulatory authorities; and (iv) environmental exposure.

*Quarterly Reviews:* The Committee will review with management and the independent auditors the financial statements of the Company each quarter and related notes, including the quarterly financial statements, management discussion and analysis, financial reports, financial projections and other applicable financial disclosure, prior to the public disclosure of such information and together with the independent auditors' review thereof pursuant to professional standards and procedures for conducting such reviews, as established by generally accepted auditing standards. In connection with the quarterly reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risks or exposures.

*Financial Reporting Disclosure:* The Committee will review with management and the independent auditors the audited annual financial statements and related notes, including the auditors' report thereon, management discussion and analysis, financial reports, financial projections and other applicable financial disclosure, prior to the public disclosure of such information, and the Committee will be responsible for making a recommendation to the Board as to whether the Company's financial statements be included in any report filed, as applicable, with any securities regulatory authority. Further, the Committee will review with management

and the independent auditors where appropriate financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management information circulars, material change disclosures of a financial nature and any similar disclosure documents prior to the public disclosure of such documents or information. In connection with the annual reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Company and discuss with management the steps taken to minimize such risks or exposures.

*Internal Audit Processes.* The Committee will review any appointment of individuals to, and any changes in, the senior internal audit position. The Committee will review and discuss regularly with the senior internal audit executive, the results of internal audit activities, including any significant issues raised in reports to management and management's responses. The Committee will also provide oversight of the internal audit department objectives, responsibilities, independence, performance, resources and annual plan and budget, including the scope of the plan and any significant modifications.

*CEO and CFO Certifications.* The Committee will review the Chief Executive Officer's and Chief Financial Officer's annual certification plan, receive the CEO and CFO certifications of interim and annual filings made in accordance with applicable Canadian and United States securities laws and review the interim and annual CEO and CFO certifications.

*Earnings Announcements.* The Committee will review and discuss with management and the independent auditors any earnings press releases, earnings guidance provided to analysts and rating agencies, and other public announcements regarding the Company's results of operations.

#### Finance and Investment Oversight

*Financial Resources:* The Committee will periodically review and make recommendations to the Board with respect to the Company's financial resources, financing requirements, currency hedging, investment strategies (if any) and related matters.

*Incurrence of Debt or Equivalents:* Irrespective of the dollar amount involved, issuance of debt securities or off-balance sheet financing will require Committee recommendation and Board approval.

*Other Financial Matters:* The Committee will receive and review reports from management with respect to significant financial matters, including, without limitation, any significant transactions outside the ordinary course of business of the Company as requested by the Board or as deemed appropriate by the Committee from time to time.

#### Risk Management

The Committee will be responsible for the oversight of risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, investment guidelines and credit and liquidity matters, programs and



policies relating to legal and regulatory compliance and strategy, and operational infrastructure, particularly reliability, business continuity, capacity, information security, data protection and privacy. The Committee shall provide regular reports to the Board on such matters. The Committee will review and assess the Company's processes to manage and control risk, except for risks retained by the Board or its other committees.

With the Committee's oversight, management will establish guidelines, policies and practices regarding risk management, including, but not limited to, derivative policies, insurance programs and necessary practices and procedures to monitor and control major business, operational and financial risks.

#### Related Party Transactions

The Committee will review and approve or ratify, in accordance with the Company's policies as approved by the Committee, all related party transactions as defined by applicable rules and regulations.

#### Review of Hiring Policy

The Committee will oversee the policies and procedures as required by applicable rules and regulations governing how the Company may employ or receive services from individuals who are or once were partners of or employed by the present and former independent auditors of the Company.

#### Legal Compliance; Investigations

The Committee will be responsible for overseeing legal and regulatory matters that may have a material impact on financial statements and the Company's business. The Committee shall have access to management, the General Counsel, and internal and independent auditors in connection with such review. The General Counsel has express authority to communicate at any time with the Committee about compliance matters.

#### Complaint Handling Process (i.e., "Whistleblower Reporting")

*Submission of Complaints:* The Committee will establish, maintain and oversee the procedures for: (i) the receipt, retention, and treatment of complaints regarding accounting, internal controls, or audit matters; and (ii) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting, audit or internal control matters.

### **OTHER AUTHORITY AND RESPONSIBILITIES**

*Access to Records and Personnel:* The Committee will have full access to any relevant records of the Company and its subsidiaries that it deems necessary to carry out its responsibilities. The Committee may request that any officer or other employee of the Company or any of its



subsidiaries or any advisor to the Company meet with members of the Committee or its advisors, as it deems necessary to carry out its responsibilities.

*Independent Advisors:* The Committee will have the authority to engage, terminate and determine funding for such independent legal counsel, accounting advisors and other advisors (the “**Advisors**”) as it deems necessary to carry out its responsibilities. Such Advisors may be the regular advisors to the Company. The Committee is empowered to cause the Company or any of its subsidiaries, as applicable, to pay the compensation of the Advisors as established by the Committee.

*Funding:* The Committee shall have the authority to determine and approve funding (which will be supplied by the Company) for: (i) payment of compensation to the independent external auditors or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) any other Advisors engaged by the Committee; and (iii) ordinary administrative expenses of the Committee or any other expenses that are necessary or appropriate in carrying out its duties.

*Reports to Board of Directors:* The Committee will report regularly to the Board regarding the meetings of the Committee with such recommendations to the Board as the Committee deems appropriate.

*Review of this Charter:* At least once a year, the Committee will review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval.

*Annual Committee Evaluation:* The Committee will annually evaluate its performance and report to the Board on the results of the review, including any recommended changes contained therein for approval by the Board.

*Delegation:* The Committee may form and delegate authority to subcommittees and may delegate authority to the Chair or one or more designated members of the Committee. The Committee cannot delegate its responsibilities to non-committee members.

*Other Responsibilities:* The Committee will take such other action with respect to the matters set out herein as may be delegated from time to time by the Board, and shall perform such other duties as may be required by applicable law or requested by the Board or deemed appropriate by the Committee. The Committee will discharge its responsibilities, and will assess the information provided to the Committee, in accordance with its business judgment. The Committee will have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate.

**Approved by the Board of Directors on August 10, 2021 and effective as of August 10, 2021.**