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## **Li-Cycle Holdings Corp.**

### **CORPORATE GOVERNANCE GUIDELINES**

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#### **I. Introduction**

The following Corporate Governance Guidelines (the “**Guidelines**”) have been adopted by the Board of Directors (the “**Board**”) of Li-Cycle Holdings Corp. (the “**Company**”) to provide a framework for the effective governance of the Company. The Board reviews the Guidelines annually or more often if deemed necessary, and modifies them as appropriate.

#### **II. Board’s Responsibilities**

The purpose, duties and responsibilities of the Board and certain procedural matters relating to the carrying out of its functions are set out in the “Li-Cycle Holdings Corp. Board of Directors Charter”.

#### **III. Board Size**

The size of the Board should enable its members to effectively and responsibly discharge their responsibilities to the Company. The Board must recognize that the Company’s demands on its directors may evolve with the development of the Company and that the size of the Board should be considered over time and within the context of the development of the Company and the directors’ responsibilities.

The Board has the ability to increase or decrease its size within the limits defined by the articles of incorporation of the Company and in accordance with applicable laws. The Board believes that a size of seven directors is appropriate at this time and that it would be willing to go to a somewhat larger size in order to accommodate the availability of outstanding candidates. It is the view of the Board that this size is sufficient to provide a diversity of expertise and opinions and allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full Board attendance. The Board will review its size if a change is recommended by the Nominating and Corporate Governance Committee.

#### **IV. Independence of Directors**

The Board will have a majority of directors who satisfy the criteria for “independent directors,” as defined by the applicable rules of the New York Stock Exchange and Section 1.4 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”). The Nominating and Corporate Governance Committee will annually review each director’s independence and any material relationships a director may have with the Company. Following such review, only those directors who the Board affirmatively determines have no material relationship with the Company, and otherwise satisfy the independence requirements of the New York Stock Exchange and Section 1.4 of NI 52-110, will be considered “independent directors.”

Board members must notify the chair of the Nominating and Corporate Governance Committee, as soon as practicable, in the event that their circumstances change in a manner that may impact the director's independence.

#### **V. Board Membership Criteria**

Each year, the Nominating and Corporate Governance Committee will review the composition of the Board in order to ensure that it has the best mix of skills and experience to guide the long-term strategy and the ongoing business operations of the Company.

Director candidates are typically selected based upon their character, track record of accomplishment in their respective fields, demonstrated leadership characteristics and diversity, as well as their other professional and corporate expertise, skills and experience. Criteria that are typically considered by the Board in the selection of directors include:

- (a) the independence, judgment, strength of character, reputation in the business community, ethics and integrity of the individual;
- (b) the business or other relevant experience, skills and knowledge that the individual may have that will enable him/her to provide effective oversight of the Company's business, including anticipated regulatory and market developments;
- (c) the fit of the individual's skill set, strength of character and judgment; and
- (d) the individual's ability to devote sufficient time to carry out his or her responsibilities as a director in light of his/her occupation and the number of boards of directors of other public companies or significant organizations on which he or she serves.

In addition, the Company recognizes the importance and benefit of having a board of directors and senior management comprised of highly talented and experienced individuals having regard for the need to foster and promote diversity among board members and executive officers. Diversity refers to a broad range of factors that are used to distinguish groups and individuals such as age, education, experience, gender and gender expression/identity, sexual orientation, religion, disability, national origin and ethnicity, including Indigenous people and members of visible minorities. In support of this goal, the Nominating and Corporate Governance Committee will, in addition to the qualifications discussed above, when identifying candidates to nominate for election to the Board or in its review of executive officer succession planning and talent management:

- (a) consider criteria that promote gender balance and diversity, including with regard to women, national origin and ethnicity, including Indigenous peoples and members of visible minorities, persons with disabilities and other factors;
- (b) consider the level of representation of women on the Board and in executive officer positions along with other markers of diversity when making recommendations for nominees to the Board or for appointment as executive officers and when succession planning for the Board and executive officers; and

- (c) engage qualified independent external advisors, as appropriate, to assist the Board in conducting its search for candidates that meet the Board's criteria regarding skills, gender balance, experience and diversity.

To assist in this process, the Nominating and Corporate Governance Committee will be mandated to consider as part of its policies and procedures:

- (a) the periodic evaluation and assessment of individual directors as well as board committees and the Board as a whole to identify strengths and areas for improvement;
- (b) in consultation with the Board, the development and maintenance of a director skills matrix that identifies the skills and expertise required for the Board along with potential areas for growth and improvement;
- (c) measures designed to ensure that the nominee recruitment and identification processes are appropriate in terms of depth and scope to foster identification and progression of diverse candidates.

Specific targets or quotas for diversity appointments to the Board have not been adopted by the Board due to the need to consider a balance of criteria in each individual appointment. The Board will promote its diversity objectives through the initiatives set out in these Guidelines with a view to identifying and fostering the development of a suitable pool of candidates for nomination or appointment over time. The Nominating and Corporate Governance Committee will, in its periodic review of the composition of the Board and executive officer appointments, assess the effectiveness of the Board nomination process and senior management appointment process at achieving the Company's diversity objectives and monitor the implementation of these Guidelines.

## **VI. Other Public Company Directorships**

The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as those commitments do not create material actual or potential conflicts and do not interfere with the director's ability to fulfill his or her duties as a member of the Board. An individual member of the Board should not sit on more than four public company boards (including that of the Company). If a member of the Board serves as an executive officer of a publicly traded company, that member should not serve on the boards of more than two public companies (including that of the Company or any other company on which such board member is an executive officer).

In selecting nominees for membership, the Board takes into account the other demands on the time of a candidate, and with respect to current members of the Board, their past attendance at, preparedness for and participation in Board and committee meetings. Directors should advise the chair of the Nominating and Corporate Governance Committee and each of the committees



in which they serve in advance of accepting an invitation to serve on another public company board.

The Company will seek to have no more than two board and committee interlocks at any given time. A board interlock occurs when two of the Company's directors also serve together on the board of another public company or investment company.

#### **VII. Directors Who Change Their Present Job Responsibility**

In the event that a material change occurs with respect to the principal employment or affiliation of an independent director, such independent director will notify the Board Chair and Corporate Secretary of such change. The Board will then consider, with the assistance of the Nominating and Corporate Governance Committee, whether, given such material change in such independent director's principal employment or affiliation, it is appropriate for such director to continue to be nominated as a member of the Board.

Directors who are also employees of the Company are expected to submit their resignation from the Board at the same time they leave employment with the Company. The Board will then consider whether it is appropriate for that individual to continue as a member of the Board.

#### **VIII. Term Limits and Retirement for Directors**

The Board seeks to maintain a balance between ensuring that there are fresh ideas and viewpoints available to the Board while not losing the insight, experience and other benefits of continuity contributed by longer serving Directors. The Board does not impose director term limits or other automatic mechanisms of board renewal.

#### **IX. Board Communication Policy**

The Board believes that management generally should speak for the Company and the Board Chair or Lead Director, if any, should speak for the Board. In order to ensure compliance with applicable law and to avoid the potential detriment to the interests of the Company, its shareholders and other constituencies that could result from inconsistent communications, the members of the Board will not respond to media inquiries or make statements to the media regarding the Company and its business without consultation with, and approval by, the Board Chair or Lead Director.

If there is a situation in which a director of the Company is to speak privately with one or more of the Company's shareholders, the director shall pre-clear the discussion topics with the General Counsel or have the General Counsel participate in the meeting.

Notwithstanding the foregoing, in accordance with its charter, the Audit Committee has the authority to communicate with any persons the Audit Committee believes to be necessary or appropriate to carry out its duties.

Any interested parties desiring to communicate with the Board, the Board Chair or the Lead Director, if any, a committee of the Board or any of the independent directors individually or as



a group regarding the Company may directly contact such directors by delivering such correspondence to the General Counsel, Carl DeLuca, at [carl.deluca@li-cycle.com](mailto:carl.deluca@li-cycle.com).

#### **X. Confidentiality**

The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidentially and used solely in furtherance of the Company's business, except as expressly authorized by the Board, permitted by any Company policy, or, after written notice to the General Counsel and cooperating with the Company's efforts to limit the applicability of any legal requirements, as legally required to disclose such information. Notwithstanding the foregoing, nothing in these Guidelines is intended to or will be used in any way to limit a director's right to communicate with a government agency, as provided for, protected under or warranted by applicable law.

#### **XI. Self-Evaluation by the Board**

The Nominating and Corporate Governance Committee is responsible for developing a process to assess the effectiveness of the Board, its committees, each chair and the directors. The Board Chair, or if the Board Chair is not independent and the Board has appointed a Lead Director, the Lead Director, in collaboration with the chair of the Nominating and Corporate Governance Committee, will provide an annual assessment of the overall performance and effectiveness of the Board and each committee, the Chair, each committee chair and each director and report annually on such assessments to the Board. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. This assessment is discussed with the full Board following the end of each fiscal year and specifically reviews areas in which the Board and/or management believes that a better contribution could be made. Its purpose is to increase the effectiveness of the Board as a whole as well as the effectiveness of individual Board members.

#### **XII. Board Orientation and Continuing Education**

All new directors will be offered the opportunity to participate in an orientation program of the Company (the "**Orientation Program**"), which, if so accepted, in general will be conducted within three months of the annual general meeting at which new directors are elected or upon being elected or appointed to the Board if not at the annual general meeting. All other directors will be invited to attend any Orientation Program.

Together with the President and Chief Executive Officer and other management of the Company, the Nominating and Corporate Governance Committee will develop, implement, and regularly review and update the Orientation Program. The Orientation Program will include presentations by senior management to familiarize new directors with the role of the Board, its committees and directors, the nature and operation of the Company's business, the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct and Business Ethics, its principal officers, and its external independent



auditor. In addition, the Orientation Program will include visits to Company headquarters and/or facilities.

In addition to the Orientation Program, the Company will, from time to time, offer director education presentations and will also provide, at Company expense, the opportunity for directors to attend director orientation programs sponsored by leading universities and corporate governance organizations and other programs relating or of interest to directors.

### **XIII. Board Compensation**

A director who is employed by the Company will not receive additional compensation for such service as a director.

The Board believes that the directors should be compensated in a form and amount which is appropriate and which is customary for comparable companies, having regard for such matters as time commitment, responsibility and trends in director compensation. The Board has determined that ownership of the Company's common shares or equity-based awards such as Restricted Share Units ("RSUs") by directors is desirable and aligns the interests of directors with those of the Company's shareholders. As such, a portion of the directors' annual compensation is equity-based. The Compensation Committee will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity. Changes to director compensation will be proposed to the full Board for consideration.

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