



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

FUNCTION AND PURPOSE

The function and purpose of the Compensation Committee (the "**Committee**") will be to assist the Board of Directors (the "**Board**") of Li-Cycle Holdings Corp. (the "**Company**") in fulfilling its responsibilities with respect to:

- a) overseeing the compensation strategy and policies for the Company's employees and directors;
- b) establishing, reviewing and reporting on compensation of the Company's executive officers;
- c) administering equity-based and certain other compensation plans; and
- d) reviewing the "Compensation Discussion & Analysis" and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations.

The Committee will establish a broad plan of executive compensation that is competitive and motivating in order to attract, retain and inspire management and other key employees.

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 will be independent, consistent with the definition of the applicable stock exchange and securities regulatory authorities.

Experience: Members must have suitable experience and must be familiar with compensation practices of public entities.

Meetings

Frequency: The Committee will meet at least three times a year at such times and locations (if any) as the Chair deems necessary to fulfill the Committee's responsibilities.

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.

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

Compensation of the Directors, the CEO, the Executive Chair and Other Executive Officers

Director Compensation: The Committee will periodically evaluate and make recommendations to the Board with respect to appropriate forms and amounts of compensation for directors of the Company. In doing so, the Committee will consider: (i) the time commitment associated with being a director of the Company, including, as applicable, committee (and Committee Chair) work and Board Chair (or Lead Director) work; (ii) the responsibilities and risks associated with being such a director; (iii) compensation paid to directors of companies and their subsidiaries similar to the Company; and (iv) any other factors the Committee deems relevant.

CEO and Executive Chair Performance and Compensation: The Committee will annually review and report to the Board the goals and objectives set for each of the chief executive officer (the “CEO”) and the Executive Chair of the Company, and its evaluation of their respective performance relative to such goals and objectives. The Committee will annually review and recommend to the Board appropriate compensation for each of the CEO and the Executive Chair in light of their respective performance on pre-established goals and objectives, including, without limitation: (i) salary; (ii) bonus and incentive compensation levels; (iii) deferred compensation; (iv) executive perquisites; (v) equity-based compensation; (vi) severance arrangements; and (vii) change-in-control benefits. The CEO and the Executive Chair will not be present during the Committee's deliberations on the compensation of the CEO and the Executive Chair. The Committee will present its recommendations to the Board for its review and approval.

Executive Officer Compensation: The Committee will annually review and make recommendations to the Board regarding the compensation of the executive officers of the Company based on the recommendations of the CEO and/or the Executive Chair, as applicable, with respect to their direct



reports, based on their evaluations of the performance of such executive officers and the performance of the Company overall, as measured against performance goals and objectives established at the beginning of the year.

Annual Talent Review and Succession Planning: At least once during each fiscal year, management will present to the Committee for review and approval an assessment of the Company's performance management process and results, as well as an assessment of top talent at the Company and a succession plan for the CEO and Executive Chair, their respective direct reports and all other key executive positions at the Company.

Employment or Removal of Executive Officers: The hiring or termination of employment of any executive officer of the Company is subject to review and approval by the Committee.

Equity and Incentive Based Plans

Compensation Plans: The Committee will be responsible for the oversight, approval and adoption, amendment, administration or termination of all compensation, welfare, benefit, pension and other plans related to compensation of current and former employees of the Company or its subsidiaries. The Committee will oversee the rights, authority and functions under such plans, including interpreting the terms thereof. This will include, but not be limited to: (i) annual compensation planning and performance management systems, processes and guidelines; (ii) equity or equivalent plans, including long-term incentive plans, and individual grants and any final awards under any such plans; (iii) annual bonus plans, including financial targets, criteria, guidelines, amounts and payouts; (iv) annual merit increase guidelines; (v) perquisites; (vi) retirement plans; (vii) severance and change of control agreements and plans; and (viii) evaluation and approval of payouts to be made on any incentive plan. The Committee may delegate authority over such compensation plans to management as the Committee deems appropriate from time to time. The Committee will regularly report to the Board on actions taken by the Committee relating to such compensation plans and, where appropriate, make recommendation to management and to the Board.

Equity Compensation: Subject to the terms of the relevant compensation plan text, any transaction involving the shares of the Company which relates to compensation for directors, officers, employees or consultants, including, without limitation, issuances of shares, options, stock appreciation rights, restricted shares, restricted share units, deferred share units, repurchases or termination of any such shares or rights in connection with the termination of employment, or any creation or amendment of any plan or agreement in respect thereof, will be reviewed and approved by the Committee.

All other transactions involving the shares of the Company, including, without limitation, any issuance, redemption, acquisition, purchase, sale or disposition, reclassification, or repurchase by the Company of any securities including, without limitation, any non-compensatory issuance of shares or options, any payment or declaration of any dividend or distribution in respect thereof, or any creation or amendment of any plan or agreement in respect thereof, must be approved by the Board.



Risk Management: The Committee shall periodically review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking and the Committee shall review and discuss, at least annually, the relationship between risk management policies and practices and compensation arrangements, and evaluate compensation policies and practices that could mitigate any such risk.

Overall Compensation Program

The Committee will review periodically the operation and structure of the Company's compensation program, including its policies regarding perquisites, recoupment of compensation, non-executive post-service arrangements and other similar compensation-related matters. The Committee will also review periodically the operation and structure of the Company's processes that impact compensation, including its policies regarding leveling, performance assessments, and promotions. The Committee will take into account factors it deems appropriate from time to time, including the Company's business strategy, the competitiveness of the compensation program and the potential risks to the Company and its business arising from the operation and structure of its compensation programs.

Disclosure

The Committee will review the "Compensation Discussion & Analysis" and related executive compensation disclosure for inclusion in the Company's public disclosure documents, in accordance with applicable rules and regulations. The Committee will also consider feedback from shareholders with respect to the Company's compensation philosophy and disclosure.

OTHER AUTHORITY & 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 compensation consultants, executive search firms, independent legal counsel 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 any Advisors engaged by the Committee; and (ii) 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 compensation matters as may be delegated from time to time by the Board. 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.