

# 2023 Management information circular

## Notice of 2023 annual meeting of shareholders

Sherritt International Corporation  
March 23, 2023



SCAN ME

**sherritt**



# NOTICE OF OUR 2023 ANNUAL MEETING OF SHAREHOLDERS

Please join us at our 2023 annual meeting

---

## Where

Torys LLP  
Toronto Dominion Centre  
79 Wellington St. W. #3300  
Toronto, Ontario  
M5K 1N2

---

## When

Thursday, May 11, 2023  
11:00 a.m. (Eastern Time)

## Business of the meeting

1. Receiving our 2022 financial statements
2. Re-appointing our auditor and authorizing the directors to set their compensation
3. Voting on our approach to executive compensation
4. Electing our directors
5. Considering any other business properly brought before the meeting

## Your vote is important

You can vote at the meeting if you owned Sherritt common shares at the close of business on March 17, 2023 (the record date of the meeting). Please read the voting section starting on page 12 of the attached management information circular for details, including proxy deadlines.

By order of the Board,

A handwritten signature in black ink, appearing to read "E.A. Ward Sellers", with a horizontal line extending to the right.

E.A. Ward Sellers  
Senior Vice President, General Counsel & Corporate Secretary

Toronto, Ontario  
March 23, 2023

## Questions about voting?

Contact our proxy solicitation agent,  
Kingsdale Advisors:

### By telephone

- 1-800-749-9197 (toll-free in North America)
- (416) 867-2272 (call collect outside of North America)

### By email

- [contactus@kingsdalesadvisors.com](mailto:contactus@kingsdalesadvisors.com)



## Dear fellow shareholders

2022 was a year where there was a noticeable change in pace and ambition within Sherritt. Following a number of years in which Sherritt's focus had been dominated by the financial threats which had arisen from the investment in Ambatovy, this was the first full year when, under a refreshed senior management team, we are able to see progress in our options towards building a successful and sustainable long term future.

In this past year, in addition to delivering strong operating results, we advanced a low capital intensity expansion program, significantly deleveraged our balance sheet, finalized transformative agreements with our Cuban partners to collect on legacy receivables, advanced our portfolio of proprietary technologies, and achieved our sustainability plan targets.

Building a business for long-term success has been at the heart of management and the Board's focus in 2022, and strengthening the relationship with our Cuban partners underpins future opportunities to grow our joint venture businesses. On the strength of robust nickel and fertilizer markets, and despite some challenges in the cobalt market in 2022, Sherritt achieved the highest revenue and net earnings in five years and its Adjusted EBITDA of \$217.6 million was 94% higher than 2021, the highest in ten years. Our distributions from the Moa JV were more than double those received in each of the prior three years and we were able to use these distributions to reduce our outstanding debt as we continue to build a stronger balance sheet thereby providing a framework for pursuing a broader range of growth opportunities.

In our Moa Joint Venture, we advanced our low capital intensity expansion program to increase annual production by approximately 20% while narrowing the scope of the project to the most critical components, demonstrating our capital discipline. Sherritt sees an opportunity to focus its strategy on increasing production of intermediary products that will enable it to fully utilize existing capacity at the Fort Saskatchewan refinery and also consider direct sales of intermediate product into the electric vehicle battery supply chain. The work to complete the Economic Cut-Off Grade (ECOG) and Life of Mine (LOM) development continue at the Moa mine. ECOG and LOM analysis using the latest methodologies are expected to extend the current LOM to beyond 2040, and the final NI 43-101 report is expected to be released by the end of Q1 2023.

Management was able to finalize a transformative "Cobalt Swap" agreement with our Cuban partners under which we anticipate to receive more than \$700 million in cobalt and cash distributions over the next five years, half of which will be used to settle our legacy Cuban receivables. In January 2023, Sherritt received its first cobalt distribution under the Cobalt Swap agreement and we look forward to receiving regular distributions and using the proceeds from the related cobalt sales to support our 2023 and long-term strategic priorities.

Additionally, we finalized the "Moa Swap" which provides certainty to the Energas Joint Venture to fund its foreign currency denominated operating, maintenance, capital costs and dividend repatriations to Sherritt. With this stability, we extended the Energas Joint Venture contract by 20 years to March 2043.

With our commitment to Board renewal, we are pleased to announce that Anna Ladd-Kruger, a seasoned mining industry financial executive, with more than 20 years of experience in mining exploration and operations, has been appointed to Sherritt's Board of Directors since our last shareholders' meeting. After nine years on the Board, Lisa Pankratz is retiring and I would like to thank her for her dedication applied over that time, during frequent difficult corporate circumstances.

The notice of the meeting and the attached management information circular provides specific details about the matters to be presented at this year's meeting for shareholder approval. We were encouraged to see our shareholder vote increase at the last Annual General Meeting and we appreciate your time in doing so. However, we continue to receive voting of barely 30% of our common stock and it remains important that you vote, or vote your shares by proxy if you are unable to attend this year's meeting.

On behalf of the Board and Sherritt's senior management team, I thank you for your support in 2022. We look forward to continuing our efforts to achieving our strategic priorities in the coming years. I would also like to recognize the support and hard work of all our employees without which none of our progress in 2022 would have been possible.

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Lapthorne', written on a light-colored background.

Sir Richard Lapthorne  
Chair, Sherritt's Board of Directors

March 23, 2023

# OVERVIEW OF THE 2023 MANAGEMENT INFORMATION CIRCULAR

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals essential for an electric future. Its Technologies Group creates innovative, proprietary solutions for natural resource-based industries around the world to improve environmental performance and increase economic value. Sherritt has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by 20% or 6,500 tonnes of contained nickel and cobalt (100% basis) and extending the life of mine at Moa beyond 2040. The Corporation is also the largest independent energy producer in Cuba. Sherritt's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Our 2023 management information circular tells you what you need to know to vote at our annual meeting of shareholders. This overview highlights some key information, including our governance and compensation practices. Please read the entire document before you vote your shares.

## What's inside

### 11 About the meeting

- 12 Voting
- 16 Business of the meeting
- 19 About the nominated directors

### 24 Governance

- 25 About the Board
- 27 The role of the Board
- 30 Board committees
- 33 Board composition
- 38 What we expect of directors
- 40 Director compensation

### 42 How we pay our executives

- 43 Letter from the Chair of the Human Resources Committee
- 46 Compensation discussion and analysis
  - 46 Overview
  - 48 Compensation governance
  - 49 Managing compensation risk
  - 50 Equity ownership
  - 51 Compensation benchmarking
  - 54 Compensation process
  - 57 Compensation components
  - 58 2022 Executive compensation decisions
  - 72 Share performance and executive compensation
- 75 Compensation details
  - 75 Summary compensation table
  - 77 Equity compensation
  - 81 Retirement savings
  - 82 Termination and change of control benefits
- 85 Other information
- 86 Appendix A: Mandate of the Board of Directors
- 90 Appendix B: Chair's terms of reference

## GOVERNANCE

At Sherritt, we believe that sound corporate governance is critical to earning and retaining the trust of our shareholders. Our governance practices reflect the goals and priorities that we promote as a company, and support ethical behaviour and high performance standards throughout the organization – all critical elements for improving overall company performance.

### Sound governance

Sherritt's Board of Directors (the *Board*) is responsible for overseeing the management of the business and our affairs. The Board promotes fair reporting, including financial reporting, to shareholders and other stakeholders as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. We comply with the rules and regulations that apply to us as a Canadian public company including National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines*.

### Qualified and experienced Board

We have a strong, independent Board. Six of this year's seven nominated directors (86%) are independent, including the Chair. The only non-independent director nominee is Leon Binedell, who also serves as our President and Chief Executive Officer.

	Age	Director since	Independent	2022 meeting attendance	2022 voting result
Maryse Bélanger (Deputy Chair)	61	February 2018	yes	92%	97.54% for
Leon Binedell	49	June 2021	no	100%	98.12% for
Dr. Peter Hancock	59	November 2021	yes	100%	97.79% for
Anna Ladd-Kruger <sup>1</sup>	53	February 2023	yes	n/a	n/a
Sir Richard Laphorne (Chair)	79	September 2011	yes	100%	95.74% for
Chih-Ting Lo	42	March 2022	yes	100%	96.39% for
John Warwick	69	June 2017	yes	100%	98% for

<sup>1</sup> Anna Ladd-Kruger joined Sherritt in 2023, consequently, statistical information related to her 2022 voting results is not available. Anna Ladd-Kruger did not attend any Board or Committee meetings in 2022.

### Appropriate compensation

Directors receive fixed compensation only, paid in cash and deferred share units (DSUs) that cannot be redeemed until they leave the Board.

### Regular shareholder communications

We continued our regular shareholder engagement program in 2022, inviting shareholders representing approximately 20% of Sherritt's issued and outstanding shares at the time, to meet with Sherritt's Chair of the Board and the Chair of the Human Resources Committee. Sherritt's Chair of the Board and the Chair of the Human Resources Committee met with approximately 13% of the shareholders, as well as one proxy advisory firm as part of its shareholder engagement program. Sherritt extended its shareholder engagement program into 2023 in advance of its 2023 annual general meeting. See page 29 for more information about these meetings.

You can read more about this year's nominated directors beginning on page 19, governance at Sherritt beginning on page 24 and executive pay beginning on page 42.

#### Qualified and experienced nominees

100%

Experience in mining/resource industry, international business or capital projects

100%

Experience in risk management and evaluation

57%

Financially literate or have experience in financial reporting, finance or mergers and acquisitions

71%

Experience in human resources or executive compensation

## HOW WE PAY OUR EXECUTIVES

Executive pay at Sherritt supports our strategy, motivates our executives to achieve our strategic objectives without encouraging them to take undue risks and aligns their interests with the long-term interests of our shareholders. It is an important tool to attract and retain a strong, focused and resilient executive team to lead the company through all phases of the commodity cycle.

### Strategic design

Our executive compensation program is based on our guiding principles that drive how we attract, retain and pay our executive team, motivate them to achieve our strategy and deliver value to shareholders.

### Evolving program

Our compensation program has evolved over the last few years, to improve the link between pay and performance aligned with our strategic priorities, enhance our oversight of compensation risk and other appropriate refinements:

<b>Key changes in 2020</b>	Adjusted the performance criteria for payouts of performance share units (PSUs) awarded in 2020 to better reflect the business mix of the company Updated the comparator group following exit from Ambatovy
<b>Key changes in 2021</b>	Adjusted the weighting of the PSU relative total shareholder return comparator indices to better reflect the 2021 business mix Undertook a market review of executive pay relative to the new comparator group
<b>Key changes in 2022</b>	Adjusted the weighting of the PSU relative total shareholder return comparator indices further to reflect business mix and added internal measure for expansion of Metals business
<b>Plans for 2023</b>	Re-introduce stock options for senior executives, and adjust the performance measure for PSUs to 100% relative total shareholder return

### Snapshot of 2022 compensation decisions

Total compensation paid to the named executives in 2022 is summarized below:

- **Salaries** – salaries for the CEO and CFO were increased, as both were new to their roles in 2021. Other named executive salaries were unchanged from their salaries in 2021.
- **Short-term incentives** – awards were between 127.5% and 141% of target, based on corporate, operational and individual performance, which you can read about beginning on page 59.
- **Equity incentives** – awarded at target, and allocated 50% to RSUs and 50% to PSUs.
- **Payout of 2019 mid-term awards** – paid out at 92% of the grant value because of: the performance vesting with 53% of PSUs vested and the increase from grant date value of \$0.49 per share to \$0.59 per share at vesting, aligning executive compensation outcomes with the experience of our shareholders.

### 2022 Total direct compensation (see page 58)

	Salary	Short-term incentive	Equity incentives	2022 compensation	Pay tied to performance (at risk)	Compared to target
Leon Binedell <sup>1</sup>	\$597,500	\$842,475	\$1,210,000	\$2,649,975	77%	+10%
Yasmin Gabriel	\$345,000	\$285,660	\$350,000	\$980,660	65%	+9%
Greg Honig	\$325,000	\$248,625	\$325,000	\$898,625	64%	+6%
Elvin Saruk	\$380,000	\$302,100	\$485,000	\$1,167,100	67%	+7%
Ward Sellers	\$375,000	\$241,875	\$500,000	\$1,116,875	66%	+5%

<sup>1</sup> Leon Binedell has irrevocably and unconditionally forfeited his entitlement to 10% of his short-term incentive. The corporation has expressed its intention to use these funds to establish a CEO Scholarship Fund. Actual award paid to Leon Binedell was \$758,227.

### Compensation approach

#### Strategic

Strategically aligned with performance, does not encourage undue risk taking, executives aligned with shareholders

#### Appropriate and fair

Aligned with our organizational structure and the scope of the role

Internally equitable and benchmarked to the market

#### Competitive

Attracts strong, focused and resilient executive team to lead us through all phases of the commodity cycle

## 2022 HIGHLIGHTS

### DELIVERED ON OUR 2022 STRATEGIC PRIORITIES



#### LEADING GREEN METALS PRODUCER

- ✓ Advanced US\$77M expansion program
- ✓ NDCC in 1st cost quartile for HPAL nickel producers
- ✓ Advanced life of mine (LOM) analysis



#### LEVERAGE TECHNOLOGIES FOR GROWTH

- ✓ Continued to advance innovative technologies
- ✓ Supported Moa expansion and LOM analysis



#### ACHIEVE BALANCE SHEET STRENGTH

- ✓ Repurchased ~\$150M notes at a discount
- ✓ Finalized \$368M Cobalt Swap to recover receivables



#### BE A SUSTAINABLE ORGANIZATION

- ✓ Achieved YoY ESG improvements
- ✓ Developed climate plan to achieve ESG goals



#### MAXIMIZE VALUE FROM ENERGY BUSINESS

- ✓ Finalized US\$50M Moa Swap
- ✓ Extended Energas JV contract to March 2043

On the strength of higher nickel and fertilizer prices, Sherritt achieved strong operating and financial results in 2022 while delivering on each of our 2022 strategic priorities to set the stage for continued success in the future. Sherritt commenced a low capital intensity expansion program, significantly deleveraged the balance sheet, finalized transformative payment agreements with their Cuban partners to \$368 million of total outstanding receivables, advance the portfolio of proprietary technologies, and meet the sustainability targets. Sherritt also received distributions from the Moa Joint Venture of \$100.6 million, which were more than double those received in each of the three prior years. Sherritt also extended the Energas Joint Venture contract by 20 years to March 2043.

As a result of strengthened nickel, cobalt, and fertilizer prices as well as strong production results, Sherritt's combined revenue<sup>1</sup> was \$850.9 million, almost 40% higher than its 2021 revenue of \$612.8 million, with revenue increases largely attributable to higher sales volume and average-realized prices<sup>1</sup> for nickel and fertilizer.

In 2022, Sherritt's Moa Joint Venture advanced a low capacity intensity expansion program at the mine that is focused on increasing annual mixed sulphide precipitate (MSP) production by 20% or 6,500 tonnes of contained nickel and cobalt, annually by the end of 2024.

Sherritt issued its 2021 sustainability, climate and tailings management reports as well as its sustainability scorecard, as it continues to progress on its commitments to meet its environmental, social and governance ("ESG") targets.

Sherritt continues to meet safety and production targets at all its sites, prioritizing the health and safety of its employees, contractors and the communities in which Sherritt operates. Once again in 2022, across all Sherritt's sites, there were zero work-related fatalities, zero significant environmental incidents, zero security incidents involving allegations of human rights abuses, and no tailings-related incidents.

<sup>1</sup> Non-GAAP financial measure. Non-GAAP measures are incorporated by reference. For additional information see the Non-GAAP and other financial measures section of this management information circular.

The table below lists Sherritt's strategic priorities for 2022, and summarizes our performance against them as of December 31.

2022 Strategic priorities	Selected actions	Status
ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER	Accelerate plans to expand Moa JV nickel and cobalt production by up to 20% from the combined 34,710 tonnes produced in 2021	<ul style="list-style-type: none"> <li>Sherritt and its Moa JV advanced the US\$77.0 million (100% basis) two-phase expansion to increase total mixed sulphide precipitate intermediate production by 6,500 tonnes of contained metals at Moa at a low capital intensity of approximately US\$13,200 per annual tonne of contained nickel. The program remains on time and budget for completion in 2024.</li> <li>Implementation of ECOG methodology is expected to extend the current LOM to beyond 2040.</li> </ul>
	Rank in lowest quartile of HPAL nickel producers for NDCC	<ul style="list-style-type: none"> <li>NDCC<sup>1</sup> for 2022 of US\$5.14/lb ranked Sherritt in the first cost quartile for HPAL nickel producers and the second cost quartile of all nickel producers.</li> <li>Normalization of key input costs and cobalt by-product credits would help return Sherritt to ranking in the first quartile.</li> </ul>
LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH	Support Moa JV expansion, operational improvements, and life of mine extension	<ul style="list-style-type: none"> <li>Continued to support the Moa JV expansion and life of mine extension at Moa.</li> </ul>
	Advance Technologies solutions toward commercialization	<p>Continued to advance development and commercialization of most promising and innovative technologies, including:</p> <ul style="list-style-type: none"> <li>Chimera/D-POX – engaged with interested parties to advance batch testing and piloting programs for specific copper and precious metal opportunities.</li> <li>DSH – advanced assessment of the technology on bio-oils and refinery vacuum residues. Batch testing demonstrated the ability to produce a renewable diesel product.</li> <li>NGL – completed unit operations piloting and initial engineering work to refine key operating and commercial aspects. Engaged with external parties on the potential to jointly develop this technology.</li> </ul>
ACHIEVE BALANCE SHEET STRENGTH	Maximize collections of overdue Cuban receivables	<ul style="list-style-type: none"> <li>Signed agreements to recover the full amount – \$368.0 million – of receivables on the Energas CSA and Oil and Gas trade receivables by the end of 2027 through the use of the Cobalt Swap.</li> </ul>
	Maximize available liquidity to support growth strategy	<ul style="list-style-type: none"> <li>Repurchased approximately \$150 million principal amount of notes at a 16% discount reducing debt by 35% from the beginning of the year and annual interest expense of approximately \$13 million.</li> </ul>
	Continue to optimize costs to reflect operating footprint	<ul style="list-style-type: none"> <li>Implemented measures relating to director compensation and employee costs that resulted in savings of approximately \$3 million.</li> </ul>
BE RECOGNIZED AS A SUSTAINABLE ORGANIZATION	Deliver on actions identified in the Sustainability Report	<ul style="list-style-type: none"> <li>Issued Sherritt's 2021 sustainability reports and scorecard in October 2022.</li> </ul>
	Achieve year-over-year ESG improvements including reduction of carbon intensity	<ul style="list-style-type: none"> <li>Developed a climate plan to advance a road map to achieve long-term net-zero GHG emissions by 2050.</li> <li>Continued replacing vehicles and equipment with EVs and electric equipment at Moa and the Fort Site.</li> </ul>
	Deliver on 'Diversity and Inclusion' global framework	<ul style="list-style-type: none"> <li>Made progress in defining metrics, analyzing workforce demographics and aligning Sustainability (CSR) investments with D&amp;I initiatives.</li> <li>Improved gender balance in the operations senior management team and board.</li> </ul>
MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES	Extend economically beneficial Energas power generation contract beyond 2023	<ul style="list-style-type: none"> <li>Received approval for extension of the Energas Joint Venture contract to March 2043, and finalized extension of the Moa Swap agreement to support liquidity and secure sustainable operations.</li> <li>Power was successful in working with its Cuban partners to successfully increase gas supply in the fourth quarter.</li> </ul>

<sup>1</sup> Non-GAAP and other financial measures. For additional information see the Non-GAAP and other financial measures section of this management information circular.



## 2023 MANAGEMENT INFORMATION CIRCULAR

You have received this management information circular because you owned common shares of Sherritt International Corporation as of the close of business on March 17, 2023 and are entitled to receive notice of our 2023 annual meeting of shareholders and to vote your shares.

This year, as permitted by Canadian corporate and securities regulators, Sherritt is using notice-and-access to deliver this circular to both our registered and non-registered shareholders. This means that the circular is being posted online for you to access, rather than being mailed out. Notice-and-access gives shareholders more choice, substantially reduces our printing and mailing costs, and has less environmental impact as it reduces materials, waste and energy consumption. You will still receive a form of proxy or a voting instruction form in the mail (unless you have chosen to receive proxy materials electronically) so you can vote your shares but, instead of automatically receiving a paper copy of this circular, you will receive a notice package with information about how you can access the circular electronically and how to request a paper copy.

This management information circular provides important information about the business of the meeting, the voting process, governance at Sherritt and how we pay our directors and executives.

The Board has approved the contents of this circular and has authorized us to send it to our shareholders of record, each director and the external auditor.

By order of the Board,

A handwritten signature in blue ink, appearing to be "LB", is written over a light blue circular background.

Leon Binedell  
President and Chief Executive Officer

Toronto, Ontario  
March 23, 2023

**In this document:**

- *we, us, our, company, corporation* and *Sherritt* mean Sherritt International Corporation
- *you, your* and *shareholder* mean holders of Sherritt common shares
- information is in Canadian dollars, unless indicated otherwise
- information is as of March 23, 2023, unless indicated otherwise

**Record date**

March 17, 2023

**Registered office**

Sherritt International Corporation  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West, Suite 4220  
Toronto, ON M5H 4E3

## ABOUT THE MEETING

If you held Sherritt common shares at the close of business on March 17, 2023, you are eligible to vote at our 2023 annual shareholder meeting. Each share is entitled to one vote on each item of business to be voted on. Your vote is important to us, and we encourage you to cast your vote. This section of our circular tells you about the meeting – where and when to vote, what you will be voting on, and where to find more information.

If you have any questions, please contact Sherritt's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by phone or text at 1-800-749-9197 toll free in North America or 1 (416) 867-2272 outside of North America (collect calls accepted), or by email at [contacts@kingsdaleadvisors.com](mailto:contacts@kingsdaleadvisors.com).

### Please join us at our 2023 annual meeting

#### Where

Torys LLP  
Toronto Dominion Centre  
79 Wellington St. W. #3300  
Toronto, Ontario  
M5K 1N2

#### When

Thursday, May 11, 2023  
11:00 a.m. (Eastern Time)

#### Where to find it

12 Voting  
16 Business of the meeting  
19 About the nominated directors

# VOTING

## Who can vote

If you held Sherritt common shares at the close of business on March 17, 2023, you are eligible to vote at our 2023 annual shareholder meeting. Each share is entitled to one vote on each item of business to be voted on.

Our authorized capital consists of an unlimited number of common shares. We had 397,288,680 shares outstanding as of the record date. The only person or entity who owns more than 10% of our total shares outstanding is Clearwater Capital Management Inc., who according to its public filings, owns or exercises control over 41,758,790 common shares, or 10.5%, of our total shares outstanding. Our directors and executive officers are not aware of any other person or entity who beneficially owns or exercises direction or control over, directly or indirectly, more than 10% of our total shares outstanding.

## How to vote

### Registered shareholders

You are a registered shareholder if your name appears on your share certificate. Your Notice-and-Access Letter includes a proxy form.

### Vote in person

If you would like to vote in person, do not complete your proxy form because your vote will be taken and counted at the meeting. Bring the form with you and your photo ID and check in with a representative of our transfer agent, TSX Trust Company, when you arrive at the meeting.

### Vote by proxy

Voting by proxy is the easiest way to vote. It means you appoint another person (your proxyholder) to attend the meeting for you and vote your shares according to your instructions. A shareholder has the right to appoint a person or entity (who need not be a shareholder) to attend and act for them on their behalf at the meeting other than the persons named in the enclosed instrument of Proxy.

**You can appoint the Sherritt representatives named in the proxy form to act as your proxyholder, or you can appoint someone else. If you appoint the Sherritt representatives, you can simply vote using the methods below. If you appoint someone else you must follow the additional step as described below.** Your proxy does not need to be a Sherritt shareholder. If you would like to appoint another person, print that person or entity's name in the space provided in the form. Make sure they know that you have appointed them as your proxyholder and that they must attend the meeting on your behalf and vote your shares according to your instructions. If you appoint a proxyholder, your shares represented by the proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly.

You must complete the additional step of registering such proxyholder with TSX Trust Company at (866) 751-6315, or outside Canada and United States, at (647) 252-9650 or online at <https://www.tsxtrust.com/control-number-request> after submitting your form of proxy by no later than 11:00 a.m. (Eastern Time) on May 9, 2023. Failure to register the proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number to vote at the meeting and such proxyholder would only be able to attend the meeting as a guest.

**The Board and management are soliciting your proxy for the meeting.** Solicitation is mostly by mail, but you may also be contacted by a Sherritt director, officer or employee to encourage you to vote. We have also engaged Kingsdale Advisors to provide strategic shareholder advisory services and act as proxy solicitation agent for the meeting. We are paying Kingsdale \$53,000 (plus certain out-of-pocket expenses) for their services as solicitation agent. We may also reimburse brokers and others **persons holding shares in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.**

### Counting the votes

Votes will be counted and tabulated by our transfer agent, TSX Trust Company, to keep individual shareholder votes confidential. Proxies are kept confidential unless it is clear that a shareholder has a message for management, the validity of the proxy is in question or it is required by law.

## How to submit your voting instructions

Vote by internet or phone:

---

<b>Internet</b>	Go to <a href="http://www.meeting-vote.com">www.meeting-vote.com</a> and follow the on-screen instructions
-----------------	--

---

<b>Phone</b>	Call 1-888-489-7352 from a touch-tone phone and following the voice instructions.  You will need the 13-digit control number on your proxy form for identification purposes  Note that you can give us your voting instructions by phone only if you have appointed the Sherritt representatives to be your proxyholder
--------------	---

---

Or complete your form, sign and date it and send it by:

---

<b>Email</b>	Scan your form and email it to <a href="mailto:proxyvote@tmx.com">proxyvote@tmx.com</a>
--------------	---

---

<b>Fax</b>	Fax both sides of your form to (416) 595-9593
------------	---

---

<b>Mail</b>	Mail your form to TSX Trust Company (Canada), Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1
-------------	---

---

TSX Trust Company must receive your voting instructions by 11:00 a.m. (Eastern Time) on May 9, 2023 and, if the meeting is adjourned or postponed, no later than 48 hours (excluded Saturdays, Sundays and holidays) the date preceding the adjourned or postponed meeting.

The Chair of the meeting can accept or reject late proxies, and waive or extend the deadline for receiving proxies at his discretion and without notice.

If you appointed the Sherritt representatives named in the proxy form to be your proxyholder and do not specify your voting instructions, your shares will be voted:

- FOR the reappointment of Deloitte LLP as our auditor and to authorize the directors to set their compensation
- FOR our approach to say on executive pay
- FOR each of the nominated directors.

Only registered shareholders or duly appointed proxyholders are permitted to vote at the meeting.

### Non-registered shareholders

You are a non-registered shareholder if your shares are registered under the name of an intermediary (your securities dealer, brokerage firm, bank, trust company, administrator of a registered plan (like an RRSP, RRIF or RESP) or other financial institution, or held in the name of a clearing agency (such as CDS) that your intermediary deals with. You are the beneficial owner of the shares and you have the right to instruct your intermediary how to vote your shares. Your Notice-and-Access Letter includes a voting instruction form or proxy form provided by your intermediary if you have requested your intermediary to appoint you as a proxyholder (the *Voting Document*).

### Vote in person

Print your name in the space provided in your voting document or write to them to ask that you be appointed proxyholder. Then follow your intermediary's instructions for returning the form. Each intermediary has its own procedures so please follow the instructions provided by them.

Bring your photo ID and check in with a TSX Trust Company representative when you arrive at the meeting.

### Vote by proxy

Voting by proxy is the easiest way to vote. It means you appoint another person (your proxyholder) to attend the meeting for you and vote your shares according to your instructions.

**You can appoint the Sherritt representatives named in the proxy form to act as your proxyholder, or you can appoint someone else. If you appoint the Sherritt representatives, you can simply vote using the methods below. If you appoint someone else you must follow the additional step as described below. Your proxyholder does not need to be a Sherritt shareholder.** If you would like to appoint another person, print that person or entity's name in the space provided in the Voting Instruction Form. Make sure they know that you have appointed them as your proxyholder and that they must attend the meeting on your behalf and vote your shares according to your instructions. If you appoint a proxyholder, your shares represented by the proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly.

You must complete the additional step of registering such proxyholder with TSX Trust Company at 1-866-751-6315, or outside of Canada and the United States, at (647) 252-9650 or online at <https://www.tsxtrust.com/control-number-request> after submitting your Voting Instruction Form of proxy by no later than 11:00 a.m. (Eastern Time) on May 9, 2023. Failure to register the proxyholder with TSX Trust Company will result in the proxyholder not receiving a control number to vote at the meeting and such proxyholder would only be able to attend the meeting as a guest.

### How to submit your voting instructions

<b>Internet</b>	Go to <a href="http://www.meeting-vote.com">www.meeting-vote.com</a> and follow the on-screen instructions	
<b>Phone</b>	<b>Canadian shareholders:</b> Call 1-800-474-7493 (English) or 1-800-474-7501 (French)	<b>US shareholders:</b> Call 1-800-454-8683
<b>Mail</b>	Complete your form, sign and date it and send it to the address provided by your intermediary and before the deadline provided	

We also use the Broadridge QuickVote™ service to help non-registered shareholders vote their shares over the phone. Non-registered shareholders may be contacted by Kingsdale to help them with this service. Broadridge tabulates the results of all the voting instructions received and provides the appropriate instructions for those shares at the meeting.

Submit your voting instructions right away to allow enough time for your intermediary to process your voting instructions. TSX Trust Company must receive your voting instructions from your intermediary by 11:00 a.m. (Eastern Time) on May 9, 2023 and, if the meeting is adjourned or postponed, no later than 48 hours (excluded Saturdays, Sundays and holidays) preceding the adjourned or postponed meeting.

#### Questions about voting?

Contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors:

#### By telephone

- 1-800-749-9197 (toll-free in North America)
- (416) 867-2272 (call collect outside North America)

#### By email

[contactus@kingsdalesadvisors.com](mailto:contactus@kingsdalesadvisors.com)

Shares will be voted or withheld from voting according to shareholder's instructions on any ballot that may be called for.

The Chair of the meeting can waive or extend the deadline for receiving proxies at his discretion and without notice.

If you appointed the Sherritt representatives named in the Voting Document to be your proxyholder and do not specify your voting instructions, your shares will be voted:

- FOR the reappointment of Deloitte LLP as our auditor and to authorize the directors to set their compensation
- FOR our approach to say on executive pay
- FOR each of the nominated directors.

## Changing your vote

You can revoke your voting instructions if you change your mind:

### Registered shareholders

- Go online and submit new voting instructions.
- Submit another voting document and send it by mail or fax to TSX Trust Company. A properly completed proxy form with a later date automatically revokes a previously submitted proxy form.
- Send a written statement to TSX Trust Company indicating your wish to have your proxy form revoked.

Send your new proxy form or written statement to TSX Trust Company, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1. They must receive it before 11:00 a.m. (Eastern Time) on May 9, 2023 or 48 hours (excluded Saturdays, Sundays and holidays) preceding the date of an adjourned or postponed meeting.

### Non-registered shareholders

- Go online and submit new voting instructions.
- Complete another Voting Document and follow the instructions for returning the form provided by your intermediary. A properly completed Voting Document with a later date automatically revokes a previously submitted form.
- Send a written statement to your intermediary indicating that you wish to have your Voting Document revoked.

Send your new form or written statement to your intermediary right away because they must forward it to TSX Trust Company. TSX Trust Company must receive the new form or statement before 11:00 a.m. (Eastern Time) on the last business day before the meeting (or reconvened meeting if the meeting is postponed or adjourned).

Regardless of whether you are a registered or non-registered shareholder, you can also give your notice to the Chair of the meeting before the start of the meeting (or reconvened meeting if the meeting is postponed or adjourned), or send new instructions in any other manner permitted by law.

## BUSINESS OF THE MEETING

We must have quorum for the shareholder meeting to proceed and to transact business. Quorum is two or more persons present in person or by proxy, representing at least 25% of the votes entitled to be cast at the meeting.

There are five items of business to be covered at the meeting. We require a simple majority of votes cast for an item to be approved by shareholders. Voting results for our 2023 annual meeting will be posted on our website ([www.sherritt.com](http://www.sherritt.com)) and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

We are not aware of any director or executive officer at any time in 2023, or a director nominee or an associate or affiliate, having a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any item of business.

### 1. Receiving our 2022 financial statements

If you asked us to send you our annual financial statements for the year ended December 31, 2022, you should have already received a copy in a separate mailing. If you haven't received it, you can find a copy of our Management's Discussion and Analysis (MD&A) and Audited Consolidated Financial Statements in our 2022 Annual Report on our website ([www.sherritt.com](http://www.sherritt.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### 2. Re-appointing our auditor and approving their compensation

You will vote on re-appointing Deloitte LLP, Chartered Professional Accountants, Licensed Public Accountants (*Deloitte LLP*) as our external auditor for the 2023 financial year and authorize the directors to set the auditor's compensation. Deloitte LLP has served as our auditor since November 1995.

Deloitte LLP is independent of Sherritt and our subsidiaries within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The Board recommends that shareholders vote FOR the reappointment of Deloitte LLP to serve as external auditor of Sherritt for 2023 and to authorize the Board to set the auditor's compensation.

The table below shows the fees paid to the external auditor for 2021 and 2022.

	2021	2022
<b>Audit fees</b>	\$2,310,450	\$2,623,820
For the audit of our annual consolidated financial statements and review of our quarterly consolidated financial statements and services normally provided for statutory and regulatory filings or engagements such as research of accounting and audit-related issues and assurance audits		
<b>Audit-related fees</b>	\$0	\$425,000
For assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported as audit fees		
<b>Tax-related fees</b>	\$106,000	\$108,000
For assistance and advice relating to the preparation of corporate income tax returns and expatriate services, other tax compliance and advisory services		
<b>Other fees</b>	\$0	\$0
Relating to training and development, and strategic consulting services.		
<b>Total</b>	<b>\$2,416,450</b>	<b>\$3,156,820</b>

### 3. Voting on our approach to executive compensation

Our executive compensation program is designed to pay for performance and align the interests of our executive team with the long-term interests of our shareholders.

We hold an annual advisory vote on “say on pay” to support good governance and to give shareholders the opportunity to approve our approach to executive compensation as described in this circular. Last year we received overwhelming support for our approach to executive compensation with over 85% of the votes cast in favour.

The Board recommends that shareholders vote FOR our approach to executive compensation. Please take some time to read about our executive compensation program and 2022 pay decisions starting on page 42 before you vote your shares.

In 2022, we invited shareholders representing approximately 20% of Sherritt’s issued and outstanding shares at the time, to meet with Sherritt’s Chair of the Board and the Chair of the Human Resources Committee. Sherritt’s Chair of the Board and the Chair of the Human Resources Committee met with approximately 13% of the shareholders, as well as one proxy advisory firm as part of its shareholder engagement program. Sherritt extended its shareholder engagement program into 2023 in advance of its 2023 annual general meeting. Insights from these meetings provide valuable input to the Human Resources Committee and the Board when reviewing our compensation policies and practices. In response, we made several changes to the executive compensation program, which you can read about on page 54.

This year you will vote on the following resolution:

**RESOLVED THAT:**

*on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in Sherritt’s management information circular delivered in connection with the 2023 annual meeting of shareholders.*

While this vote is non-binding on the Board, the Board will review the results and feedback it receives when reviewing executive compensation in the future.

If a significant number of shares are voted against the resolution, the Board will review our executive compensation program and any concerns expressed by shareholders and discuss the steps it took following the outcome and any changes being implemented as a result in next year’s circular.

### 4. Electing our directors

The Board has determined that seven directors will be elected to the Board this year to serve a term of one year until the end of our 2024 annual meeting, unless a director resigns or otherwise leaves office.

The Board recommends that shareholders vote FOR each of the nominated directors. You can read about the nominated directors beginning on page 19.

You will be asked to elect the following nominees as directors. Each of them currently serves on our Board, is qualified and experienced, and has expressed his or her willingness to serve another term.

You can vote for or against each director nominee:

- |                      |                          |
|----------------------|--------------------------|
| 1. Maryse Bélanger   | 5. Sir Richard Lapthorne |
| 2. Leon Binedell     | 6. Chih-Ting Lo          |
| 3. Dr. Peter Hancock | 7. John Warwick          |
| 4. Anna Ladd-Kruger  |                          |

Management does not contemplate that any of the nominees will be unable, or for any reason become unwilling, to serve as a director. If for any reason this happens before the meeting, the persons named in your proxy form or voting instruction form have the right to vote for another nominee, at their discretion, unless you have specified in your proxy form or voting instruction form that your shares are to be withheld from voting in the election of any of the directors.

## 5. Considering any other business properly brought before the meeting

As of the date of this circular, the directors and management are not aware of any amendments, variations or other matters that may be brought before the meeting (or any adjournment or postponement).

If this happens, your proxyholder has discretionary authority to vote on the matters as they see fit.

### **Shareholder proposals for next year's annual meeting**

The CBCA allows eligible shareholders to submit shareholder proposals to us. In accordance with amendments to the CBCA that came into effect August 2022, we must receive shareholder proposals for our 2024 annual meeting by **February 10, 2024, being the end of the 60-day period in which shareholder proposals must be submitted which begins on December 13, 2023** to consider including them in next year's management information circular.

## ABOUT THE NOMINATED DIRECTORS

We have a strong, independent Board. Six of the seven nominated directors (86%) are independent, including our Board Chair. Leon Binedell is not independent because he also serves as our President and Chief Executive Officer.

All seven nominated directors have committed to serving on the Board for a one-year term, and all of these directors currently serve on our Board. Each is qualified and experienced and brings a strong mix of skills and experience across disciplines and industry sectors.

INDEPENDENCE	GENDER DIVERSITY	GEOGRAPHIC DIVERSITY
<b>86%</b> are independent	<b>43%</b> are women	<b>86%</b> Canada
AVERAGE AGE	AVERAGE TENURE	
<b>59</b> years	<b>3.9</b> years	<b>14%</b> International

### 2022 attendance

The table below is a summary of the Board and committee meetings held in 2022 and the attendance of the nominated directors. You can read about each director's attendance record on page 38.

	Number of meetings	Overall meeting attendance
Board of directors	11	99%
Audit Committee	5	100%
Human Resources Committee	6	100%
Nominating and Corporate Governance Committee	7	98%
Reserves, Operations and Capital Committee	7	100%

You can read more about the nominated directors in the profiles that follow, including their background and experience, 2022 meeting attendance, compensation and voting results as well as their equity ownership and other directorships.

Information about the Sherritt equity each nominee owns beneficially or exercises control or direction over has been provided by each nominee. Non-executive directors receive an equity retainer in deferred share units (DSUs), which are notional units that track the value of Sherritt common shares and earn dividend equivalents at the same rate as dividends paid on our common shares. The value shown in each director profile is calculated by multiplying the number of units/ shares held by the director by the higher of the grant/purchase price or the closing price of our common shares on the TSX on December 30, 2022 (\$0.52).

Qualified and experienced nominees

**100%**

Experience in mining/ resource industry, international business or capital projects

**100%**

Experience in risk management and evaluation

**57%**

Financially literate or have experience in financial reporting, finance or mergers and acquisitions

**71%**

Experience in human resources or executive compensation

## MARYSE BÉLANGER

Deputy Chair  
Corporate Director  
Independent



**Residence:** British Columbia, Canada

**Age:** 61

**Director since:** February 7, 2018

**2022 meeting attendance:** 92%

**2022 vote:** 97.54% for

### Areas of expertise

- Mining/resource industry
- International business
- Government relations
- Capital projects
- Reserve evaluation
- Enterprise management
- Operations
- Human resources/ executive compensation
- Environment, health, safety and sustainability
- Risk management/evaluation
- Board leadership

### Business experience

Maryse Bélanger is the current interim President and Chief Executive Officer of IAMGOLD Corporation and will cease to hold that position effective April 2, 2023. She has more than 30 years of experience in the global mining sector with proven strengths in operational excellence, technical services and efficiency. She is currently Chair of IAMGOLD Corporation. Ms. Bélanger also sits on the board of directors and the ESG committee of Equinox Gold Corporation and is a director of Pure Gold Mining. Previously, Ms. Bélanger served as the Chief Operating Officer of Atlantic Gold Corporation until its acquisition by St Barbara Limited.

### Other public company boards in the past five years

- IAMGOLD Corporation (March 2022 to present)
- Equinox Gold (May 2020 to present)
- Plateau Energy Metals (now American Lithium) (until May 2021)
- Pure Gold Mining (announced intention to resign on March 31, 2023, subject to Court appointment of a Chief Administrative Officer)

### Other boards

None

### Public board interlocks

None

### Education and distinctions

- Bachelor of Science (Geology) (Université du Québec à Chicoutimi)
- Graduate certificate in Geostatistics (MINES ParisTech)

### Equity ownership

Shares: 300,000

Deferred share units: 1,312,895

Total value: \$866,571

Meets her equity ownership requirement (see page 39).

## LEON BINEDELL

President and  
Chief Executive Officer,  
Sherritt International Corporation  
Not independent



**Residence:** Ontario, Canada

**Age:** 49

**Director since:** June 1, 2021

**2022 meeting attendance:** 100%

**2022 vote:** 98.12% for

### Areas of expertise

- Mining/resource industry
- International business
- Government relations
- Capital projects
- Enterprise management
- Financial literacy/ reporting
- Corporate governance
- Risk management/evaluation
- Finance/M&A
- Board leadership

### Business experience

Leon Binedell has 25 years of industry experience in leading global companies and adjacent joint ventures. Most recently, he worked as Chief Financial Officer of Guyana Goldfields Inc., a Canadian- based gold producer focused on gold deposits in Guyana. During his tenure, Mr. Binedell was instrumental in maximizing shareholder value and ensured stability through the effective recruitment of team members, the renegotiation of all major operating and supply contracts and the development of finance and governance practices that guided Guyana Goldfields Inc., through its successful sale.

Prior to joining Guyana Goldfields Inc., he served as Finance Operating Executive with Resource Capital funds, a leading private equity fund focused on the mining sector and the commercialization of mining innovation. Additional sector experience includes his time as National Leader of Finance Consulting in Mining & Energy at PricewaterhouseCoopers LLP, General Manager of Business Services at Xstrata Nickel (now Glencore) and Chief Financial Officer at Koniambo Nickel SAS.

### Other public company boards in the past five years

None

### Other boards

None

### Public board interlocks

None

### Education

- Chartered Professional Accountant

### Equity ownership

Shares: 317,172

Performance share units: 1,629,476

Restricted share units: 1,629,476

Total value: \$2,045,824

Meets his equity ownership requirement (see page 50).

## DR. PETER HANCOCK

Corporate Director  
Independent



**Residence:** Nova Scotia, Canada  
**Age:** 59  
**Director since:** November 10, 2021  
**2022 meeting attendance:** 100%  
**2022 vote:** 97.79% for

### Areas of expertise

- Mining/resource industry
- International business
- Government relations
- Capital projects
- Enterprise management
- Corporate governance
- Operations
- Operations
- Human resources/executive compensation
- Environment, health, safety, and sustainability
- Risk management/evaluation
- Board leadership

### Business experience

Dr. Peter Hancock is currently advising companies in the mining and metals sector and has held several senior leadership positions at leading mining companies around the world over his 34-year career, including overseeing Glencore's nickel assets in Australia, serving as President of Koniambo Nickel SAS in New Caledonia, and overseeing Technology and Business Development at Noranda's Zinc Business in Canada.

### Other public company boards in the past five years

None

### Other boards

None

### Public board interlocks

None

### Education and distinctions

- Ph.D in Metallurgical Engineering, McGill University
- Masters of Applied Science, Technical University of Nova Scotia
- Bachelor of Engineering, Technical University of Nova Scotia (Dalhousie University)

### Equity ownership

Shares: 100,000  
Deferred share units: 179,148  
Total value: \$152,262

Has until November 2026 to meet his equity ownership requirement (see page 39).

## ANNA LADD-KRUGER

Corporate Director  
Independent



**Residence:** British Columbia, Canada  
**Age:** 53  
**Director since:** February 8, 2023  
**2022 meeting attendance:** n/a  
**2022 vote:** n/a

### Areas of expertise

- Mining/resource industry
- International business
- Capital projects
- Enterprise management
- Financial literacy/reporting
- Corporate governance
- Operations
- Human resources/executive compensation
- Risk management/evaluation
- Finance/M&A
- Board leadership

### Business experience

Ms. Anna Ladd-Kruger has served as a director of the Corporation since February 2023. Ms. Ladd-Kruger has held key executive positions at several Canadian publicly listed mining companies, including roles supporting the transition from exploration to production and raising substantial debt and equity. Most recently, Ms. Ladd-Kruger was the Chief Financial Officer (CFO) of McEwen Mining Inc. where she was brought in to lead financial and operational turnaround strategies and was key to the McEwen Copper Asset spin-out, including serving as its CFO and director. Ms. Ladd-Kruger previously served as the CFO and VP Corporate Development for a number of mining companies and began her career working at Vale S.A.'s Thompson and Sudbury Canadian operations before joining Kinross Gold Corporation as their North American Group Controller.

### Other public company boards in the past five years

- Integra Resources Corp.
- Excellon Resources Inc.
- Nova Minerals Limited
- Silvercrest Metals

### Other boards

None

### Public board interlocks

None

### Education and distinctions

- ICD Rotman Directors Education Program, Institute of Corporate Directors, ICD.D
- Chartered Professional Accountant (CPA, CMA), The Society of Management Accountants of Ontario/ British Columbia
- Masters in Economics, Queen's University
- Bachelor of Commerce, University of British Columbia

### Equity ownership

Shares: 0  
Deferred share units: 0  
Total value: \$0

As she was appointed February 8, 2023, she has until February 3, 2028 to meet her equity ownership requirement (see page 39).

## SIR RICHARD LAPTHORNE

Chair  
Corporate Director  
Independent



**Residence:** Buckinghamshire, UK  
**Age:** 79  
**Director since:** September 14, 2011  
**2022 meeting attendance:** 100%  
**2022 vote:** 95.74% for

### Areas of expertise

- Mining/resource industry
- International business
- Government relations
- Capital projects
- Enterprise management
- Financial literacy/reporting
- Corporate governance
- Operations
- Human resources/executive compensation
- Risk management/evaluation
- Finance/M&A
- Board leadership

### Business experience

Sir Richard Laphorne has served as a Finance Director or as Chairman of various FTSE 100 and non-public companies in the United Kingdom since 1986. He was Finance Director of Courtaulds plc from 1986 until 1992 as well as Finance Director of British Aerospace plc from July 1992 and Vice Chairman from April 1998 until his retirement in 1999. From 1996 to May 2003 he was Chairman of Amersham International plc (now GE Healthcare), joining the board as a non-executive director in 1989. After he took Orange plc public for British Aerospace in 1996 he was appointed a non-executive director until it was sold to Mannesmann in 1999. He then became a non-executive director again in 2001-2003 after it was acquired by France Telecom. He was also Chairman of Cable Wireless from 2003 until 2016. His non-public appointments included Chairman of PWC's UK Public Advisory Board, McLaren and New Look, and positions with Flemings Bank and JP Morgan.

### Other public company boards in the past five years

- CPP Group plc.

### Other boards

None

### Public board interlocks

None

### Education and distinctions

- Fellow, Chartered Institute of Management Accountants (UK)
- Fellow, Chartered Association of Certificated Accountants (UK)
- Bachelor of Commerce, Liverpool University, England
- Knighthood for services to the telecommunications industry

### Equity ownership

Shares: 290,500  
Deferred share units: 974,745  
Total value: \$1,266,965

Meets his equity ownership requirement (see page 39).

## CHIH-TING LO

Corporate Director  
Independent



**Residence:** British Columbia, Canada  
**Age:** 42  
**Director since:** March 1, 2022  
**2022 meeting attendance:** 100%  
**2022 vote:** 96.39% for

### Areas of expertise

- Mining/resource industry
- International business
- Capital projects
- Enterprise management
- Corporate governance
- Environment, health, safety and sustainability
- Risk management/evaluation

### Business experience

Ms. Chih-Ting Lo is the founder and President of EELO Solutions, a management consulting firm specializing in the development of strategic plans and technical solutions focused on reducing greenhouse gas emissions. Over the past 18 years, she has worked with a number of mining companies, public utilities, and government agencies to innovate and to improve their carbon footprint and sustainability practices. She is currently Board Vice Chair at the Metro Vancouver Zero Emissions Innovation Centre, a federally seeded impact investment fund to catalyze, accelerate and scale climate action innovation.

### Other public company boards in the past five years

None

### Other boards

- Metro Vancouver Zero Emissions Innovation Centre (Vice Chair)
- Centre for Excellence in Mining Innovation (Member)
- Mineshift (Member)
- Minviro Ltd.

### Public board interlocks

None

### Education and distinctions

- Professional Engineering designation from Engineers and Geoscientists, BC
- Masters of Science, Chemical Engineering, Queen's University
- Bachelor of Applied Science, Chemical Engineering, University of British Columbia

### Equity ownership

Shares: 32,000  
Deferred share units: 131,848  
Total value: \$91,410

As she was appointed March 1, 2022, she has until March 2027 to meet her equity ownership requirement (see page 39).

## JOHN WARWICK

Corporate Director  
Independent



**Residence:** Ontario, Canada

**Age:** 69

**Director since:** June 13, 2017

**2022 meeting attendance:** 100%

**2022 vote:** 98% for

### Areas of expertise

- Mining/resource industry
- International business
- Capital projects
- Enterprise management
- Financial literacy/reporting
- Human resources/executive compensation
- Risk management/evaluation
- Finance and M&A
- Board leadership

### Business experience

John Warwick is a special advisor to Paradigm Capital Inc. He was previously the Managing Director, Investment Banking, founding partner and Head of Corporate Finance of Paradigm Capital Inc., where he advised and assisted companies on financing and capital structure matters. Prior to 1999, he was Executive Vice President and Vice Chairman of Gordon Capital Corporation and previously a mining analyst at Gardner Watson, and at Burns Fry, where he was a top-ranked base metals analyst.

### Other public company boards in the past five years

NorZinc Ltd. (previously Canadian Zinc Corporation now sold to RCF VI CAD LLC) (Board Chair, member, Nominating and Governance Committee and Compensation Committee and Health, Safety, Social and Environment Committee)

### Other boards

None

### Public board interlocks

None

### Education

- MBA, University of Toronto
- Chartered Financial Analyst

### Equity ownership

Shares: 100,000

Deferred share units: 1,358,323

Total value: \$915,754

Meets his equity ownership requirement (see page 39).

### Other information about the directors

June 2014 to June 2016, Maryse Bélanger was the Chief Executive Officer and a member of the board of directors of Mirabela Nickel Limited (Mirabela). In September 2015, Mirabela filed for voluntary administration in Australia. Under the rules of the Australian Stock Exchange, there is a requirement for the directors of a listed company to confirm the entity will be a going concern for at least 18 months looking forward. The significant decline in nickel prices and Mirabela's inability to secure third-party financing that it had been discussing with potential financiers made it economically impossible for Mirabela to continue trading. As a result, the board of directors of Mirabela decided to enter into voluntary administration.

Maryse Bélanger currently serves as a member of the board of Pure Gold Mining Inc. (PureGold), which she joined in February 2020. In October 2022, PureGold was granted an initial order for creditor protection from the Supreme Court of British Columbia under the *Companies' Creditors Arrangement Act* (the CCAA). The CCAA proceedings are intended to facilitate a restructuring of PureGold's balance sheet, the injection of additional capital, a sale of the company or its assets, or a combination thereof. PureGold's management remains responsible for the day-to-day operations of the company under the general oversight of the Court-appointed monitor. Its mining operations have been placed in care and maintenance.

## GOVERNANCE

At Sherritt, we believe that sound corporate governance is critical to earning and retaining the trust of our shareholders, and other stakeholders.

Our governance practices reflect the vision and priorities that we promote as a company and support ethical behaviour and high performance standards throughout the organization – all critical elements for improving overall company performance.

### **Where to find it**

- 25 About the Board
- 27 The role of the Board
- 30 Board committees
- 33 Board composition
- 38 What we expect of directors
- 40 Director compensation

# ABOUT THE BOARD

## Board structure

<b>Shareholders</b>	Elect the Board for a term of one year.
<b>Board of directors</b>	Responsible for governance and stewardship of the company, and accountable to Sherritt shareholders. You can find a copy of the Board's mandate in Appendix A and on our website ( <a href="http://www.sherritt.com">www.sherritt.com</a> ).
<b>Board Committees</b>	<p>Established by the Board to help carry out its responsibilities:</p> <ul style="list-style-type: none"><li>• Audit Committee</li><li>• Human Resources Committee</li><li>• Nominating and Corporate Governance Committee</li><li>• Reserves, Operations and Capital Committee</li></ul> <p>The Committees provide expertise and resources in specific areas, enhance the quality of discussion at board meetings and facilitate decision-making. All five Committees are made up of independent directors. The Board and its committees each meet in camera (without management present) at every quarterly meeting.</p> <p>In 2022, there were five in-camera meetings of the Board, five of the Human Resources Committee, four of the Nominating and Corporate Governance Committee and the Audit Committee, and five of the Reserves, Operations and Capital Committee.</p> <p>Each committee meets and operates independently of management. Membership is reviewed annually and members are selected by the Board on the recommendation of the Nominating and Corporate Governance Committee. You can read about each committee beginning on page 30.</p> <p>Committee mandates are reviewed annually and approved by the Board, and are posted on our website (<a href="http://www.sherritt.com">www.sherritt.com</a>).</p>

The Board is responsible for overseeing the management of the business and our affairs. Our articles stipulate that our Board must have three to 15 directors. The Board is authorized to set the number of directors from time to time in accordance with our by-laws and a special resolution of shareholders.

This year the Board will consist of seven members and each director is qualified and experienced in business and sound corporate governance practices. The Board has a written mandate that sets out its purpose, responsibilities and composition. A copy of the mandate is in Appendix A starting on page 86.

The Board has delegated certain responsibilities to its four standing committees to help it fulfill its responsibilities. The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board about our approach to corporate governance including the annual review of our governance policy.

## Independence

The majority of our Board is independent – all of our directors are independent except Leon Binedell, because he also serves as our President and Chief Executive Officer.

We determine independence of our directors using the definition set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices (NI 58-101)*. A material relationship exists if the Board believes that a relationship could be reasonably expected to interfere with the director's independent judgment and is deemed to exist under certain prescribed circumstances set out in NI 58-101.

### About conflicts of interest

A director who has a real or perceived conflict of interest about a matter under consideration is required to recuse him or herself from all Board deliberations or discussions on the matter.

## Meeting in camera

The independent directors meet in camera without management present at every quarterly meeting of the Board and at other times as necessary. The Board Chair chairs these meetings.

Our board committees consist of independent directors and they also meet in camera at each quarterly committee meeting and as often as necessary. Committees operate independently of management in fulfilling their mandates and making recommendations to the Board.

The Audit Committee meets separately with the external and internal auditor at least once every quarter without management present to discuss our financial affairs and conclusions from internal audits.

Committee Chairs update management on the substance of the in camera meetings if action is required.

## Position descriptions

We have formal position descriptions for key leadership roles including the Board Chair, Board Deputy Chair, committee Chairs and the President and Chief Executive Officer.

### Board Chair

The Board Chair provides leadership to the Board and is responsible for effectively managing the affairs of the Board and ensuring that it functions efficiently. The Board Chair, since independent, also advises the President and Chief Executive Officer on all matters concerning the interests of Sherritt, the Board and the relationships between management and the Board.

#### Where to find the position descriptions

You can find a copy of the position description for the Board Chair in Appendix B on page 90. The position descriptions for the Board Deputy Chair, the Chairs of each of the Board's four standing committees and the President and Chief Executive Officer are available on our website ([www.sherritt.com](http://www.sherritt.com)).

### Board Deputy Chair

The Board Deputy Chair advises and assists the Board Chair and the Chief Executive Officer in identifying strategic opportunities and in facilitating the advancement and development of any such opportunities.

### Committee Chairs

The Chair of each Board Committee is responsible for leading their Committee in fulfilling its duties and responsibilities as set out in the Committee's mandate. The Committee Chair reports to the Board at its next meeting, updating the Board on any decisions or recommendations reached by the Committee and its considerations in the process.

### President and Chief Executive Officer

The President and Chief Executive Officer has primary responsibility for the management of the business and our affairs in accordance with our corporate strategy and objectives approved by the Board and within the limitations of authority determined by the Board.

## THE ROLE OF THE BOARD

The Board is responsible for overseeing the management of our business and our affairs.

### Corporate governance

Sound corporate governance practices are essential to the well-being of Sherritt and the promotion and protection of our shareholders' interests. The Board oversees our governance framework, in part, through the work of the Nominating and Corporate Governance Committee.

The Board promotes fair reporting, including financial reporting, to shareholders and other stakeholders as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that Sherritt is best served by a board that is informed and engaged and functions independently of management.

We comply with the rules and regulations that apply to us as a Canadian public company including National Instrument 58-101 – Disclosure of Corporate Governance Practices and National Policy 58-201 – Corporate Governance Guidelines.

### Strategic direction

The Board, with the assistance of its committees, is responsible for assessing and approving our strategic plan and the annual business plans developed and proposed by management. The Board provides input and advice about strategic opportunities, as well as issues and concerns relating to risk.

The Board is also responsible for approving our business and operational policies which govern our approach to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management and human resources. It also reviews our processes to assess and manage risk and discusses this with management. Management updates the Board on our principal risks at each regularly scheduled board meeting.

### Risk oversight

The Board is responsible for overseeing how management assesses and manages risk, including identification of principal risks and appropriate systems to manage them. The Audit Committee ensures that management adequately identifies, manages, monitors and discloses risks that could impact our financial results and reporting. The Human Resources Committee assists the Board in fulfilling its oversight responsibilities in relation for compensation risk. The Reserves, Operations and Capital Committee assists the Board in oversight of operating and capital expenditures, as well as reviews and oversees the management of environment, health and safety, security and sustainability risks on behalf of the Board.

Our principal risks range from market conditions, including commodity risks and securities market fluctuations and price volatility, liquidity and access to capital, risks associated with infectious diseases (COVID-19), jurisdictional and political risks, including without limitation operations in Cuba and related U.S. Government policy towards Cuba, environmental risks and liabilities, labour relations and environment, health and safety, climate change and greenhouse gas emissions, risks in relation to information technologies systems and cybersecurity, identification and management of growth opportunities, depletion of reserves, restrictions in debt instruments including debt covenants and mandatory repayments, risks associated with our joint venture, mining, processing and refining risks, operating risks, among other things, together with risks associated with sourcing and supply. You can read more about our risk factors in our 2022 Annual Information Form and our MD&A for the year ended December 31, 2022 on our website ([www.sherritt.com](http://www.sherritt.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

Sherritt's divisions each compile a risk register based on a common matrix, which is reviewed by the Senior Management of the division. The risk registers form the basis of the Enterprise Risk Management (*ERM*) report which is presented quarterly to the senior executive team by Finance. Finance also reviews external publications on risks and emerging risks related to the mining industry.

The ERM report contains information about the *top known risks* (those that could have an impact on our financial strength, strategic position or reputation) and *other risks being monitored*, as identified in the risk register and by Finance. The final ERM report is presented twice a year to the Board and includes a description of each top known risk, a discussion of the context of the risk, an action plan to manage the risk, board accountability and an update on the steps management has taken to address the risk. The significant known risks are listed for the purpose of discussion. As part of its annual risk assessment, Finance also reviews the top known risks and significant known risks against the Internal Audit plan.

## Management succession planning

The Human Resources Committee is responsible for succession planning and uses a multi-year, talent management framework managed by human resources.

The Human Resources Committee reviews the succession plan for the CEO position annually and discusses its review and recommendations with the Board without Leon Binedell present. The Human Resources Committee meets annually with the Chief Human Resources Officer to review other key management positions and the development of our leadership talent.

The succession process includes reviewing our talent pool by several criteria including the hiring, selection and de-selection process, analysis of average age and years of service, gender representation, time in the role and performance. The review includes all key positions including our divisions and as well as finance, legal, human resources and other functional areas. Leon Binedell provides input and feedback to the Human Resources Committee on the positions that report directly to the CEO role.

## Leadership diversity

Our diversity and inclusion policy also makes diversity one of the criteria that senior management considers in evaluating the suitability of candidates for all positions.

In 2016, we established diversity and inclusion as a strategic priority, and in 2019, we launched a five-year diversity and inclusion global framework, setting out our multi-year plan to achieve stated goals. Although the initial focus of our diversity and inclusion initiative strategy was gender, recent events with respect to racism have highlighted the need for us to re-evaluate our strategy to ensure we are acknowledging and addressing any systemic issues that impede our desire to be an inclusive and respectful workplace. Sherritt's divisions finalized site-level diversity and inclusion plans in support of the global framework and established divisional implementation committees in 2019. In addition, Sherritt announced that it will target doubling the percentage of women in our organization from 18% to 36% by 2030. In 2022, Sherritt continued its multi-year effort to increase its understanding of related diversity and inclusion challenges and opportunities, improve diversity literacy internally, align business processes and structures to be more inclusive, develop and implement a metrics framework, and ultimately improve performance in this area.

Sherritt is a member of Catalyst, an organization working to help accelerate progress for women in the workplace.

We currently have one female executive officer representing 14.3% of the executive team, and three female employees at the Vice President level representing 33% of employees at that level. One of our executive officers self-identifies as a member of a visible minority and one-third of the independent directors on the Board self-identify as members of a visible minority.

The Board has not set targets for the number of women, visible minorities, persons with disabilities, or persons with Aboriginal status in senior management positions. The United States' embargo on Cuba has made it difficult for us to attract and retain highly qualified individuals to serve in senior management positions, so we must maintain the greatest flexibility in our recruitment process. However, we will continue to monitor the level of diversity in senior management and consider whether it would be appropriate to include formal targets for the representation of these groups in the future.

## Disclosure and communications

We are committed to communicating with shareholders and the public openly and in a timely way and complying with legal and regulatory requirements including our continuous disclosure obligations under securities laws.

## **Disclosure policy**

We have enterprise-wide policies that safeguard confidential information, protect material information about the company and guide our disclosure practices, among other things.

Our timely disclosure and confidentiality policy ensures that material information about Sherritt is disclosed in a timely, consistent, fair and factually accurate manner and applies to all methods and forms of communication.

## **Disclosure Committee**

Our Disclosure Committee (or in certain cases, one of its members) reviews and approves all news releases and public filings with securities regulators and stock exchanges before being released, as well as all written, electronic and oral statements for public dissemination that may or may not include material information.

The Disclosure Committee is chaired by the Senior Vice President, General Counsel & Corporate Secretary and includes the Chief Financial Officer, Chief Commercial Officer and the Director, Investor Relations and Corporate Affairs as members.

Each board committee reviews the public disclosure relevant to its mandate, before it is reviewed and approved by the Board. For example, all press releases and public filings disclosing financial information are reviewed by the Audit Committee, including the annual and interim financial statements and MD&A.

We also have mechanisms in place to evaluate the design and effectiveness of our disclosure controls.

## **Shareholder engagement**

We communicate with shareholders in various ways, including through our website, disclosure documents and management's quarterly conference calls with analysts, which shareholders and the public can access. Specific shareholder inquiries are handled by our Investor Relations group. Management also interacts with investors through conferences held by various dealers as well through non-deal roadshow meetings.

Sherritt also has a dedicated shareholder outreach program whereby the Chair of the Board and the Chair of the Human Resources Committee meet with shareholders to discuss strategy, governance and compensation matters. The program was initiated in 2016, and the corporation receives a positive response from shareholders every year.

In 2022, the Chair of the Board and the Chair of the Human Resources Committee invited shareholders representing approximately 20% of Sherritt's issued and outstanding shares at the time to meet. Sherritt's Chair of the Board and the Chair of the Human Resources Committee met with approximately 13% of the shareholders, as well as one proxy advisory firm, Institutional Shareholders Services. Sherritt extended its shareholder engagement program into 2023 in advance of its 2023 annual general meeting. Discussions were engaging and ranged from questions and comments on Sherritt's strategy and performance, outlook of the nickel and cobalt markets, and executive compensation and incentive plan metrics, all of which provided important context for our work in preparing this year's circular. The insights from the meetings also provide valuable input to the Human Resources Committee and the Board when reviewing our policies and practices. In addition, feedback from shareholder meetings is also used to enhance disclosure materials developed by Sherritt in an effort to increase transparency, and to better understand operational and financial performance.

## **Communicating with the Board**

The Board welcomes input from shareholders at any time. If you wish to contact the Board or any of the committees, please send your note to the Senior Vice President, General Counsel & Corporate Secretary:

Board of Directors of Sherritt International Corporation  
c/o Senior Vice President, General Counsel & Corporate Secretary  
Sherritt International Corporation  
Bay Adelaide Centre, East Tower  
22 Adelaide Street West, Suite 4220 Toronto, ON M5H 4E3

## BOARD COMMITTEES

The Board has four standing committees and each is made up of independent directors. The committees operate independently of management and have their own mandates which set out their duties and responsibilities. The committee Chairs are responsible for leading their committee and ensuring that they fulfill the committee's mandate. Committee mandates are posted on our website ([www.sherritt.com](http://www.sherritt.com)). Board committees can retain special counsel or consultants up to \$150,000. Fees exceeding this amount must be approved by the Board.

The reflected committee memberships below assume that the proposed Director nominees will be elected.

### Audit Committee

Independent: 100%	Members:
Meetings in 2022: 5	John Warwick (Chair effective as of May 11, 2023)
	Sir Richard Laphorne and Anna Ladd-Kruger

The Audit Committee is responsible for ensuring the integrity and accuracy of Sherritt's financial and ESG reporting and disclosure controls and procedures. This includes reviewing our financial and related disclosure and overseeing compliance with legal and regulatory requirements relating to financial reporting, the external auditor's qualifications and independence, and the performance of the internal and external auditors.

The Audit Committee also oversees management of our principal financial and business risks, our internal controls, our tax status, the adequacy of our insurance coverage, among other things. It also approves the external audit plan and the nature and fees of non-audit services and recommends the external auditors to the Board.

Additionally, the Audit Committee is responsible for overseeing cybersecurity risk, information security, and technology risk as well as management actions to identify, assess, mitigate and remediate material issues. The Audit Committee receives regular quarterly reports from Internal audit and at least annually, the Board reviews and discusses the company's Cyber Security Program.

Each member is financially literate within the meaning of National Instrument 52-110 – *Audit Committees*.

Some members of the Audit Committee are also members of the Human Resources Committee to ensure alignment of discussions and decisions.

You can find more information about the Audit Committee in our 2022 Annual Information Form on our website ([www.sherritt.com](http://www.sherritt.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).



## Reserves, Operations and Capital Committee

Independent: 100%                      Members:  
Meetings in 2022: 7                    Peter Hancock (Chair since March 1, 2022)  
Maryse Bélanger and Chih-Ting Lo

The Reserves, Operations and Capital Committee is responsible for reviewing our mineral reserves (including oil and gas reserves) and those of affiliated and related entities. It also oversees the availability, maintenance, growth and integrity of our reported reserve base, including any additional potential reserves.

The Reserves, Operations and Capital Committee reviews the selection criteria and appointment of our designated qualified persons, the report of the qualified persons and the disclosure of our annual reserves and resources information, the annual reconciliation of reserves to mine production, our internal controls and disclosure controls and procedures relating to reserves and resources estimation.

The Reserves, Operations and Capital Committee receives reports from management on all material matters related to reserves and resources estimation, industry standards and regulations about the estimation and publication of reserves and resources and developments and monitors steps by management to manage our risk exposures. It also reviews our procedures relating to the disclosure of information on oil and gas activities, the selection of the qualified reserves evaluators or auditors selected to report to the Board on our oil and gas reserves and resource data, and our annual reserves and resource estimates prior to disclosing publicly.

With respect to its responsibility for overseeing production and related activities, the Committee reviews, monitors and oversees our ongoing production and related operations to enhance alignment with Sherritt's strategic objectives and initiatives.

The Committee is also responsible for reviewing, monitoring and overseeing the management of our major capital projects and expenditures on a worldwide basis which have or may have a material impact on Sherritt. The Committee also oversees our environment, health and safety, security and other sustainability management systems, policies, programs and targets.

The Committee makes recommendations to the Board about the scope of environment, health and safety, security and sustainability risks to our operations and future growth, voluntary commitments we have made in this area, and compliance with legal and regulatory requirements. It also monitors legislative trends, domestic and international norms, stakeholder expectations and industry best practices and reviews sustainability information and performance data, corporate-level audits and management response and plans, our crisis management plan and our annual sustainability report.

The Committee ensures its assessment of controls to manage environment, health and safety, security and sustainability risks aligns with the Audit Committee's oversight of internal controls.

Although overall responsibility for Sherritt's ESG strategy and initiatives rests with our Board, the Committee assists the Board to carry out these responsibilities.

A member of the Reserves, Operations and Capital Committee is a member of each of the Human Resources Committee and Audit Committee to ensure alignment of discussions and decisions.

## BOARD COMPOSITION

Our goal is to assemble a high performing board with a diversity of skills, background and experience to ensure that the Board can carry out its responsibilities effectively. Our directors are strong leaders in their field (ideally from an industrial background with experience in mining, energy, operations or large capital-intensive industry) have strong experience in either corporate strategy and/or operations, can engender trust and respect in the boardroom and bring diversity to the Board.

The individual skills, knowledge and experience of individual directors complement those of their colleagues on the Board. This provides diversity, balance of views and perspectives, ensures well informed oversight and thoughtful exchange with management.

### Diversity

We recognize the value of diversity and inclusion and believe that we benefit from the insight, innovation and good judgment that comes from including a variety of perspectives in the decision-making and strategic planning process. Our diversity and inclusion policy makes diversity of the Board one of the criteria that the Nominating and Corporate Governance Committee considers in recruiting and selecting director candidates.

We have revised our diversity and inclusion policy to formally acknowledge the designated groups specifically identified under recent amendments to the *Canada Business Corporations Act*, including women, Aboriginal peoples, persons with disabilities and members of visible minorities. The amended and expanded diversity and inclusion policy reflects our commitment to promoting a diverse and inclusive work environment. The Nominating and Corporate Governance Committee audits compliance with the diversity and inclusion policy as it relates to the recruitment and selection of potential directors, tracks the progress the company has made in achieving the objectives of the policy, and periodically provides reports to the Board. The Nominating and Corporate Governance Committee also recommends amendments to the diversity and inclusion policy when necessary.

The Nominating & Corporate Governance Committee is aware of the work that needs to be done to create a more diverse leadership team for companies in Canada. As part of its recruitment and selection process, the Nominating and Corporate Governance Committee considers the level of representation of designated groups on the Board. Sherritt has reached its previous goal of having at least 30% female independent directors on its Board by its 2022 annual meeting, as we have three female independent directors, representing 43% of the Board and 50% of the independent directors.

The Board has not otherwise adopted targets for representation on the board of Aboriginal peoples, visible minorities, or persons with disabilities. Currently, one-third of our independent directors self-identify as members of a visible minority. The United States' embargo on Cuba has made it difficult for us to attract and retain highly qualified individuals to serve on the Board, so we must maintain flexibility in our recruitment process. However, we will continue to monitor the level of board diversity and consider whether it would be appropriate to include formal targets for the representation of these groups in the future.

### Skills matrix

The Board maintains a skills matrix to evaluate the competencies and skills of the Board based on the background and experience of each director.

The skills matrix is updated every year using a self-assessment completed by each director, and used to identify gaps or areas for strengthening the Board when recruiting new director candidates to fill board vacancies. It is also taken into account when determining the composition of our board committees and choosing committee chairs.

	Maryse Bélanger	Leon Binedell	Peter Hancock	Anna Ladd-Kruger	Sir Richard Lapthorne	Chih-Ting Lo	John Warwick	Total
Appointed	February 2018	June 2021	November 2021	February 2023	September 2011	March 2022	June 2017	
Mining/resource industry	✓	✓	✓	✓	✓	✓	✓	7
International business	✓	✓	✓	✓	✓	✓	✓	7
Government relations	✓	✓	✓		✓			4
Capital projects	✓	✓	✓	✓	✓	✓	✓	7
Reserve evaluation	✓		✓	✓		✓		4
Enterprise management	✓	✓	✓	✓	✓	✓	✓	7
Financial literacy/reporting		✓		✓	✓		✓	4
Corporate governance		✓	✓	✓	✓	✓		5
Operations	✓		✓	✓	✓	✓		5
Human resources/ executive compensation	✓		✓	✓	✓		✓	5
Environment, health, safety and sustainability	✓		✓			✓	✓	4
Risk management/evaluation	✓	✓	✓	✓	✓	✓	✓	7
Finance/M&A		✓		✓	✓		✓	4
Board leadership	✓	✓		✓	✓		✓	5
Language skills	French Spanish		French	Chinese (Cantonese)	French	Chinese (Mandarin)		

Our working language across the organization is English, but the official language of Cuba, the main jurisdiction of our foreign operations, is Spanish. One director is fluent in Spanish. Foreign language skills allow directors to interact more effectively with local stakeholders, including government officials and employees.

## Orientation

The Nominating and Corporate Governance Committee is responsible for making sure new directors receive a proper orientation to Sherritt and their duties and responsibilities as directors.

The orientation program focuses on new directors having a clear understanding of their responsibilities, developing a good working relationship with the other members of the Board, and becoming familiar with our operations and management team so they can actively participate in meetings from the outset.

The program has several components and covers the director's first year on the Board:

- Site visits – new directors have an opportunity to visit our business units and major projects (physically, or when not so permitted, virtually).
- Interaction with management – new directors meet with key members of the management team.
- Legal obligations – new directors attend a session with our outside counsel so they have a full understanding of their legal obligations as a director.
- Committee orientation – committee Chairs, together with appropriate management representatives, provide orientation on the committees the new director will be joining. New directors also attend meetings of other committees as an observer.

New directors also receive a package of reference materials including a handbook with relevant corporate and business information (articles, by-laws, organization and corporate charts, board mandate, committee mandates, etc.), current continuous disclosure documents, and board presentations from the previous year.

## Continuing education

We expect directors to keep abreast of issues affecting our business.

We organize continuing education sessions that include meetings with management, and outside experts as appropriate, to discuss regulatory changes, corporate governance developments, developments in the mining and oil and gas industries and market conditions, among other things.

Directors complete continuing education sessions and attend briefings on various topics relating to the jurisdictions where our subsidiaries and joint venture operate, including the various political, regulatory and economic environments.

We provide directors with quarterly updates on our foreign operations, which includes updates on political, economic and social developments in Cuba. We also retain the services of consultants with knowledge of the political and economic situation in those countries to advise on current developments from time to time. Directors also participate in scheduled trips to our operations in Canada and Cuba, where they meet with the senior executives responsible for local operations, participate in site visits, meet with government officials, local leaders and stakeholders, and learn about the local business culture and practices.

The table below is a summary of the continuing education sessions attended in 2022 by nominees who were directors in that year. We reimburse directors for any out-of-pocket expenses.

<b>Mining industry</b>	Presented/hosted by	Attendees
Moa Site Visit	Sherritt	Peter Hancock Chih-Ting Lo
PDAC Convention	PDAC	Maryse Bélanger Chih-Ting Lo John Warwick
CIM Convention	CIM	Chih-Ting Lo
Future of Mining	Mining Magazine	Chih-Ting Lo
2022-2023 ICD Directors Education Program	ICD	Chih-Ting Lo
What all Directors Need to Prepare for Transition to Net Zero	ICD	Lisa Pankratz
Women in Mining Webinar	CIM	John Warwick
Virtual Roundup Convention	Association of Mineral Exploration	John Warwick
Mining Recap	KPMG	John Warwick
Raising Capital in Mining Webinar	CIM	John Warwick
Board Governance Webinar	Hugessen	John Warwick
<b>Accounting/audit/finance</b>		
Economic Outlooks for Director Series	Deloitte	Chih-Ting Lo
The Elevated Talent and Culture Agenda in the Boardroom	Deloitte	Chih-Ting Lo
PH&N Investment Perspectives 2022	PH&N	Lisa Pankratz
Proxy Seasons Topics	Deloitte	Lisa Pankratz
Proxy Season Review	Hugessen	Lisa Pankratz
Big Change is Everywhere	Canadian Pension and Benefits Institute	Lisa Pankratz
Giving Voice to Values: The “How” of Value-Driven Leadership	CFA Institute	Lisa Pankratz
Investor Roundtable	Deloitte	Lisa Pankratz
Management Investor Forum	Burgundy Asset	John Warwick
Management and Economics Society Webinar	CIM	John Warwick
Burgundy Asset Management Robert Kaplan Lecture	Burgundy Asset	John Warwick
Reconciliation Course	Deloitte	John Warwick

<b>Human resources</b>	Presented/hosted by	Attendees
The Elevated Talent and Culture Agenda in the Boardroom	Deloitte	Chih-Ting Lo
Big Change is Everywhere	Canadian Pension and Benefits Institute	Lisa Pankratz
Giving Voice to Values: The “How” of Value-Driven Leadership	CFA Institute	Lisa Pankratz
<b>Environmental, social and governance</b>		
LME Sustainability Afternoon	LME	Chih-Ting Lo
Trust and ESG	Deloitte	Chih-Ting Lo
ESG Series: Organizing the Board to Respond to ESG	Deloitte	Chih-Ting Lo
Climate Resolutions and Climate Hour	Deloitte	Lisa Pankratz
Ethics: Leading the Charge, Not Just Following the Herd	CFA Institute	Lisa Pankratz
ESG Webinar	Hugessen	John Warwick

## Assessment

Our Board assessment process includes an annual director self-assessment and peer evaluation and, at the discretion of the Nominating and Corporate Governance Committee, a periodic Board assessment conducted by an independent third party. The evaluation process considers the skills and expertise of each director as well as their individual contributions to the Board and committees and also assesses overall Board and committee effectiveness.

In 2022, Watson Inc. was retained to conduct an independent Board evaluation. Feedback from this independent evaluation helps to inform the Board to further enhance its effectiveness and provides the Board with insights into evolving governance best practices.

The Board Chair, or a director acting on his or her behalf, is responsible for administering the annual Board assessment process. The Board Chair or his nominee solicits feedback from each of the director’s peers on the particular director’s performance over the course of the past year, on overall Board and committee effectiveness and on potential opportunities to enhance Board effectiveness, while the Chair of the Nominating and Corporate Governance Committee (or designate) solicits feedback on the Board Chair. The Board Chair or Chair of the Nominating and Corporate Governance Committee discusses the feedback with each director as part of their annual performance review.

## Board succession and renewal

We monitor board renewal to ensure a reasonable turnover and orderly succession of directors. We achieve board renewal through a skills gap assessment by the Nominating and Corporate Governance Committee, the board assessment process and ordinary attrition as directors decide not to stand for re-election. If there is not sufficient renewal through our normal process, the Nominating and Corporate Governance Committee will take appropriate incremental steps to ensure reasonable renewal. There is no expectation that a director will remain on the Board for any particular “term” or period of time, and renewal processes apply equally to newer and longer serving directors.

The Nominating and Corporate Governance Committee is responsible for recommending desirable competencies to the Board and for identifying new candidates for nomination or appointment to the Board. The Nominating and Corporate Governance Committee is comprised solely of independent directors.

The Nominating and Corporate Governance Committee considers several factors in the search process including the necessary competencies and skills for serving on our Board, the existing skillset of the Board and any desirable skills and competencies. The Nominating and Corporate Governance Committee also considers the candidate’s background and experience, personal attributes and their ability to devote sufficient time and resources to serving as a member of our Board.

Candidates meet with the Chair, Chair of the Nominating and Corporate Governance Committee (or designate), the Chair of the Human Resources Committee and the President and Chief Executive Officer to discuss their background and experience in more detail and our expectations of directors. Candidates also receive an overview of the business in these meetings. One new independent director has joined the Board in 2023, one in 2022, and one in 2021. Our average Board tenure is 3.9 years.

**Retirement and term limits**

We do not have a mandatory retirement policy or term limit for directors. The Board believes that mandatory retirement and term limits may result in the loss of effective directors with deep knowledge of Sherritt. The Board also believes these limits are too restrictive – our directors face increased potential liabilities and restrictions arising from Title III and Title IV of the Helms-Burton Act, which introduces additional complications into the recruitment processes for new directors. Instead, we follow our director assessment process every year to make sure director effectiveness and board renewal are considered together.

## WHAT WE EXPECT OF DIRECTORS

We expect our directors to demonstrate sound judgment and to act in our best interests.

### Integrity and ethical conduct

Our business ethics policy sets out the rules and guidelines for ethical behaviour at Sherritt and is based on our values and the laws, regulations and rules that apply to our business. The policy applies to Sherritt directors, officers and employees and all new directors and employees must read the policy when hired and acknowledge that they will abide by the policy. The Board has never waived any aspect of the business ethics policy.

Our whistleblower policy allows employees and others to report any violations or concerns regarding the policy confidentially and without fear of reprisal for anyone acting in good faith. Concerns can be reported anonymously to the internal auditor, who will bring the reports to the attention of the Audit Committee for investigation and response, or through our independent whistleblower hotline (online or by phone) which is managed by a third party and forwards any reports to the internal auditor for follow-up.

Our commitment to integrity and ethical conduct extends to all aspects of our business. We have separate policies and procedures that address specific areas of business ethics including anti-corruption, timely disclosure and confidentiality, reportable concerns and insider trading, among others. You can read more about our corporate governance practices on our website ([www.sherritt.com](http://www.sherritt.com)). If you would like a copy of any of the policies mentioned above, please contact us at [info@sherritt.com](mailto:info@sherritt.com).

#### Anti-corruption policy

Our anti-corruption policy, adopted in 2012 and most recently amended in 2021, sets out standards of conduct and practices which must be followed by Sherritt employees and representatives in dealing with public officials in order to comply with Canada's Corruption of Foreign Public Officials Act and other applicable anti-corruption laws.

The policy applies to our directors, officers, employees and agents and we have conducted training sessions across the organization to make sure our people, particularly those who have significant interactions with governments and third parties, understand the policy and how it applies to them.

### Meeting attendance

Regular Board and committee meetings are set at least a year in advance, with special meetings scheduled as required. Directors are expected to attend all board meetings and all of their committee meetings unless there are exceptional circumstances that preclude attendance and to come fully prepared and remain in attendance for the duration of the meetings. Directors are invited to all committee meetings regardless of whether they are a member of that committee.

The table below shows the 2022 director attendance record for meetings of committees they were a member of.

	Board		Audit		Human Resources		Nominating and Corporate Governance		Reserves, Operations and Capital	
Maryse Bélanger	10 of 11	91%					6 of 7	86%	7 of 7	100%
Leon Binedell	11 of 11	100%								100%
Peter Hancock	11 of 11	100%			6 of 6	100%	7 of 7	100%	7 of 7	100%
Anna Ladd-Kruger <sup>1</sup>	0 of 0	n/a	0 of 0	n/a			0 of 0	n/a		
Sir Richard Laphorne	11 of 11	100%	5 of 5	100%			7 of 7	100%		
Chih-Ting Lo <sup>2</sup>	10 of 10	100%					6 of 6	100%	6 of 6	100%
Lisa Pankratz	11 of 11	100%	5 of 5	100%	6 of 6	100%	7 of 7	100%	3 of 3	100%
John Warwick	11 of 11	100%	5 of 5	100%	6 of 6	100%	7 of 7	100%		

<sup>1</sup> Anna Ladd-Kruger joined Sherritt as a director in February 2023. She did not attend any Board or Committee meetings in 2022 as a director.

<sup>2</sup> Chih-Ting Lo joined Sherritt as a director in March 2022 and did not attend any Board or Committee meetings prior to that time.

## Equity ownership

We require directors to own Sherritt equity to align their interests with those of our shareholders. Directors are required to hold five times their annual cash retainer in shares and/or DSUs, and they have five years from the date they joined the Board to meet the requirement.

We calculate the value of each director's Sherritt equity by multiplying the number of their units/shares by the grant/purchase price or the closing price of our shares, whichever is higher, on the TSX on December 31 (\$0.52 for 2022).

The table below shows director share ownership as at December 31, 2022<sup>1</sup>:

	Required equity ownership			Actual equity ownership as of December 31, 2022			Status
	Retainer	Multiple of cash retainer	Amount	Shares	DSUs	Total	
Maryse Bélanger	\$90,000	5.0x	\$450,000	\$156,000	\$710,571	\$866,571	9.6x meets requirement
Chih-Ting Lo <sup>2</sup>	\$90,000	5.0x	\$450,000	\$20,480	\$70,930	\$91,410	1.0x below requirement
Peter Hancock <sup>3</sup>	\$90,000	5.0x	\$450,000	\$52,000	\$100,262	\$152,262	1.7x below requirement
Sir Richard Laphorne	\$90,000	5.0x	\$450,000	\$390,263	\$876,702	\$1,266,965	14.1x meets requirement
Lisa Pankratz	\$90,000	5.0x	\$450,000	\$76,944	\$744,972	\$821,916	9.1x meets requirement
John Warwick	\$90,000	5.0x	\$450,000	\$140,000	\$775,754	\$915,754	10.2x meets requirement

1 Leon Binedell does not appear in this table because he is an executive director and a named executive officer, and does not receive any compensation for serving as a director of the Board. Please see page 67 for information about his compensation and page 50 for information about his equity ownership requirements.

2 Chih-Ting Lo was appointed to the Board March 1, 2022 and has until March 1, 2027 to achieve share ownership requirement.

3 Peter Hancock was appointed November 10, 2021 and has until November 10, 2026 to achieve share ownership requirement.

## DIRECTOR COMPENSATION

Director compensation is reviewed regularly so we can continue to attract and retain qualified directors to the Board. Compensation is benchmarked against the same comparator group used to benchmark executive compensation so we stay competitive with the market.

Directors receive an annual retainer that is split between cash and equity to align with shareholder interests and recognize directors for their time and commitment to carrying out their Board and committee duties and responsibilities. The equity component is paid in DSUs. DSUs are phantom share units that track the value of Sherritt common shares. These must be retained until the director retires or otherwise leaves the Board. DSUs vest immediately upon grant, earn dividend equivalents as additional units at the same rate as dividends (if any) paid on our common shares, and are redeemed for cash after a director leaves the Board. We use the volume-weighted average trading price of our shares on the TSX for the five days immediately before the redemption date to value the DSU payout. The Board can amend the DSU plan at any time as long as the changes do not materially affect the right of the director participating in the plan. The Board can also approve any variations to the terms of DSUs that have been granted, with the consent of the participant.

### 2022 Director fee schedule

The table shows the 2022 director annual fee schedule. Compensation is paid in equal instalments following the end of each quarter. The Board approves our director compensation based on the recommendations of the Human Resources Committee.

	Cash	Equity
<b>Annual retainer</b>		
Director	\$90,000	\$90,000
<b>Additional retainers</b>		
Board Chair <sup>1</sup>	\$130,000	
Deputy Chair <sup>2</sup>	\$20,000	
Audit Committee Chair	\$20,000	
All Other Committee Chairs	\$15,000	
Helms-Burton allowance <sup>3</sup>	\$150,000	

1 The Board Chair does not receive Committee Chair fees.

2 The Deputy Chair role was established March 1, 2022.

3 The corporation eliminated this allowance, effective April 30, 2022.

### Director compensation table

The table below shows the total aggregate compensation paid to all directors for 2022 was \$1,932,286.

	Total fees							
	Cash retainer	Board/ committee chair fees	Total fees earned	DSU awards	Option-based awards	Non-equity incentive compensation	All other compensation	Total compensation
Maryse Bélanger	\$90,000	\$23,404	\$113,404	\$90,000	–	–	\$50,000	\$253,404
Peter Hancock	\$90,000	\$19,096	\$109,096	\$33,132	–	–	\$50,000	\$192,228
Sir Richard Lapthorne	\$90,000	\$130,000	\$220,000	\$90,000	–	–	\$50,000	\$360,000
Chih-Ting Lo <sup>1</sup>	\$75,000	–	\$75,000	\$75,000	–	–	–	\$150,000
Adrian Loader <sup>2</sup>	\$33,132	\$5,522	\$38,654	\$90,000	–	–	\$418,000	\$546,654
Lisa Pankratz	\$90,000	\$20,000	\$110,000	\$90,000	–	–	\$50,000	\$250,000
John Warwick	\$90,000	–	\$90,000	\$90,000	–	–	–	\$180,000

1 Chih-Ting Lo was appointed Director March 1, 2022.

2 Adrian Loader stepped down as Director May 13, 2022. All other compensation includes \$368,000 paid to Adrian Loader in reimbursement for expenses incurred by him in mitigation of financial risks associated with Title III of the *Liberty and Democratic Solidarity (Libertad) Act* (Helms Burton).

#### DSU awards

Director compensation is awarded following the end of each quarter. We calculated the number of DSUs granted to each director by dividing the dollar amount of the award by the volume-weighted average trading price of our common shares on the TSX for the five trading days immediately before each grant date: \$0.76 (April 15, 2022), \$0.35 (July 15, 2022), \$0.39 (October 15, 2022) and \$0.61 (January 15, 2023). The number of units granted has been rounded up to the nearest whole unit.

#### All other compensation

All other compensation consists of the Helms-Burton allowance for directors who have certified that they will voluntarily refrain from traveling to the United States. These allowances are not considered compensation and have been included in the table in the interest of providing full disclosure. Helms-Burton allowances are fully taxable and not grossed-up for tax purposes. The corporation eliminated this allowance, effective April 30, 2022.

### Value of DSU awards vested or earned during the year

The table shows the total dollar value that would have been realized by each director if the DSUs that vested in 2022 had been paid out on the vesting date. The value vested during the year is calculated by multiplying the number of DSUs granted to each director in the calendar year by the volume-weighted average trading price of our common shares on the TSX for the five trading days immediately before the grant / vesting date: \$0.47 (January 15, 2022), \$0.76 (April 15, 2022), \$0.35 (July 15, 2022) and \$0.39 (October 15, 2022). As payments are paid in arrears, this table captures awards made in 2022. The payment for the 4<sup>th</sup> quarter of 2022 is made in January 2023.

	DSU awards
Maryse Bélanger	\$90,000
Chih-Ting Lo	\$52,500
Peter Hancock	\$80,455
Sir Richard Lapthorne	\$90,000
John Warwick	\$90,000
Adrian Loader	\$55,632
Lisa Pankratz	\$90,000

### Outstanding DSU awards

The table shows the market or payout value of vested DSUs not paid out or distributed as of December 31, 2022. Directors do not receive other share-based awards or option grants. The value is based on the – number of DSUs held by the director at year-end, multiplied by the closing price of our shares on the TSX on December 31, 2022 (\$0.52).

	Market or payout value of vested DSUs not paid out or distributed
Maryse Bélanger	\$682,705
Chih-Ting Lo	\$68,561
Peter Hancock	\$93,157
Sir Richard Lapthorne	\$492,827
John Warwick	\$706,328
Adrian Loader	\$421,037
Lisa Pankratz	\$481,280

### 2023 Director fee schedule

Director fees are benchmarked relative to our comparator group (see page 51). In 2022 management, in consultation with an independent advisor, completed a review of director fees to ensure Sherritt can continue to attract and retain qualified directors to the Board. The results of the review led to two changes to the 2023 director fees. Specifically, the equity component, paid in the form of DSUs, was increased by \$40,000 and Committee Chair fees were set even across all committees at \$25,000. The table summarizes 2023 director fees.

	Cash	Equity
<b>Annual retainer</b>		
Director	\$90,000	\$130,000
<b>Additional retainers</b>		
Board Chair <sup>1</sup>	\$130,000	
Deputy Chair	\$20,000	
All Committee Chairs	\$25,000	

<sup>1</sup> The Board Chair does not receive Committee Chair fees.

## HOW WE PAY OUR EXECUTIVES

Executive pay at Sherritt supports our strategy, motivates our executives to achieve our strategic objectives without encouraging them to take undue risks and aligns their interests with the long-term interests of our shareholders. It is an important tool to attract and retain a strong, focused and resilient executive team to lead the company through all phases of the commodity cycle.

This section of our circular describes how we compensated our 2022 named executive officers:

- Leon Binedell, President and Chief Executive Officer (CEO)
- Yasmin Gabriel, Chief Financial Officer (CFO)
- Greg Honig, Chief Commercial Officer (CCO)
- Elvin Saruk, Senior Vice President, Oil and Gas & Power and Head of Growth Projects (SVP, OGP & Growth)
- Ward Sellers, Senior Vice President, Legal General Counsel and Corporate Secretary (SVP, Legal)

### Where to find it

43 [Letter from the Chair of the Human Resources Committee](#)

46 [Compensation discussion and analysis](#)

46 Overview

48 Compensation governance

49 Managing compensation risk

50 Equity ownership

51 Compensation benchmarking

54 Compensation process

57 Compensation components

58 2022 Executive compensation decisions

72 Share performance and executive compensation

75 [Compensation details](#)

75 Summary compensation table

77 Equity compensation

81 Retirement savings

82 Termination and change of control benefits



## Letter from the Chair of the Human Resources Committee

2022 was a transformational year for Sherritt. Coming on the heels of 2021 where we saw significant change in Sherritt's leadership team, coupled with a shift in strategic focus away from austerity and into growth, a number of strategic accomplishments were achieved that have positioned the organization very well for the future, notably:

- Advanced expansion program focused on an increase of approximately 6,500 tonnes of contained nickel and cobalt, or 20%, annually by the end of 2024.
- Bought back almost \$150 million in second lien secured and junior notes at a 16% discount, reducing principal by 35% and future annual interest expense by approximately \$13 million.
- Finalized a transformative "Cobalt Swap" agreement with Cuban partners to receive more than \$700 million in cobalt and cash distributions over the next five years.
- Extended the Energas Joint Venture contract by 20 years to March 2043.
- Continued improvement on industry-leading safety performance.
- Adjusted EBITDA and cashflow generation targets exceeded.
- Improved ESG performance and received confirmation of conformity with the London Metals Exchange's (LME) Track B Responsible Sourcing Requirements.
- Further reductions in annual administrative costs, including executive compensation by limiting Helms Burton costs.

Looking forward, management will need to remain diligent in continuing to build balance sheet strength, in efficiently managing operations and in creating value for shareholders, while continuing to operate at the highest level of safety. On the back of last year's achievements and with a backdrop of favourable market conditions, Sherritt has an exciting opportunity to build upon its current momentum and move forward with a focus on profitable growth. The clarity of direction, focus and performance of the company in 2022 demonstrates how well the executive team, in its first full year working together, has coalesced as a team and gives me great confidence that Sherritt will be highly successful in executing on its key initiatives – expanding the Metals business and delivering significant value growth to the organization in the coming years.

The primary focus of the Human Resources Committee is to maintain an executive compensation program that appropriately rewards achievement of organization objectives. Therefore, Short Term Incentives are largely determined by the company's financial performance and achievement of specific operating targets. In 2022 both cash flow and EBITDA significantly exceeded target and hence resulted in a weighted corporate financial performance factor of 200% of target. Business unit performance factors ranged from 95% to 119% of target. These performance factors were assessed by management via a qualitative overlay for strategic objectives (which are not always measurable quantitatively) resulting in some minor adjustments.

The Human Resources Committee considered management's recommendations after the above review and considered the following factors:

- The performance of the executive team in running the business and in developing an expansion strategy.
- Excellence in safety performance that included exceeding leading safety indicator targets across operations along with record-setting performance achieved in lagging indicators.
- Achieving market guidance in production.
- Continued investment in team member capabilities to build a high-performing culture focused on delivering positive outcomes for the organization and shareholders.

After completing its review of all relevant factors, the Committee determined that the proposed compensation fairly reflected company performance and that no additional adjustments should be made. The factors that supported our 2022 short-term incentive determination can be found on page 59. Mid-term incentives granted in 2019 which vested and were paid in 2022 were once again substantially below target and reported values at time of grant, as is to be expected given the designed alignment between payout structure and shareholder experience. See page 65 for more details on mid-term incentive payouts.

More broadly, the Human Resources Committee is responsible for overseeing an executive compensation program that is strategic, fair, appropriate and competitive and aligns with shareholder experience. See page 46 for more details on these objectives. Since our exit from Ambatovy in 2020, we have adopted a resource-sector peer group that better reflects the current size, scope and complexity of Sherritt. See page 61 for more details on our peer group. Executive and director compensation are regularly benchmarked to the peer group to ensure that compensation remains market-appropriate.

In 2021 there were various changes in the senior management team including Mr. Binedell joining as CEO, internal promotions to the roles of CFO and CHRO and the addition of the Chief Commercial Officer role. In April 2022, Steve Wood, Chief Operating Officer retired and that role was eliminated from the senior management team structure. Aligned with the focus to reduce administrative expenses these changes have resulted in an annual reduction of total direct compensation (at target) for the team of approximately 27%.

With the changes in senior management taking place in 2021, the Committee, in consultation with management and independent advisors, undertook a comprehensive executive compensation review in 2022. As noted above, the Human Resources Committee takes an approach to compensation that is both performance-based and market-based. Consequently, the review was focused primarily on assessing whether Sherritt's incentive compensation structure was well-positioned to drive performance based on business objectives, was aligned with the peer market, shareholder experience and that each executive's placement within the competitive range for their respective roles was appropriate given their experience and impact on organizational outcomes.

The findings of the review indicated that our overall compensation structure is well aligned with the pay practices of companies in the comparator group while there were some opportunities identified to make adjustments to each of the short-term and long-term plans. Within our short-term incentive, going forward, each executive will be measured on a suit of simplified metrics that are more leveraged to the most important aspects of the business – namely production, cost, and safety. Those strategic priorities that the executives will have significant control of the outcome will be removed from the company measurements and included as personal performance measurements.

For long-term incentives moving forward, shareholder return will have a more pronounced financial incentive. Cash-settled awards without performance measures (Restricted Share Units) will move from 50% of the long-term award value for the executive team to 25%. Performance Share Units will be measured solely against Total Shareholder Return and will make up 50% of the award value for the executive team. The final 25% will be comprised of Stock Options. These changes place greater weight on sustained shareholder value, reduce the cash exposure that may have existed historically and ensure that the executive team hold more real versus virtual equity within the organization.

In 2022, the practice of soliciting feedback from our shareholders and from proxy advisors to guide us in refining and aligning our compensation programs with shareholder interests was continued. Outreach was made to our largest shareholders, representing approximately 20% of Sherritt's outstanding shares to discuss compensation, strategy and governance. Individual meetings were held with approximately 13% of the shareholders with our Chairman of the Board, Sir Richard Lapthorne, and our Chair of the Human Resources Committee, Adrian Loader. We would like to speak with more of our shareholders but, alas, the very high proportion of Sherritt retail shareholders makes this goal difficult to attain. Since we value shareholder input, which is considered in compensation program reviews, I would encourage any shareholder who would like to discuss these programs to reach out by email to the Director of Investor Relations and Corporate Affairs, Lucy Chitilian at [Lucy.Chitilian@sherritt.com](mailto:Lucy.Chitilian@sherritt.com).

The Human Resources Committee and the Board encourage you to have a say on pay at the upcoming annual meeting. As you decide how to vote, I would ask you to consider not only the 2022 achievements and progress and the new expansion strategy, but also the changes made to improve the compensation program to align it with the present size of the organization while incentivizing company performance and the creation of long-term shareholder value.

I thank you for your continued support and confidence. Inspired by the executive team's commendable efforts in 2022, and the unwavering commitment of staff throughout the organization, I believe that Sherritt is well-positioned to deliver on both its immediate operational objectives and on the exciting growth strategy in years ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Hancock', written in a cursive style.

Peter Hancock

Chair of the Human Resources Committee

## Compensation discussion and analysis

### OVERVIEW

Executive pay at Sherritt supports our strategy, motivates our executives to achieve our strategic objectives without encouraging them to take undue risks, and aligns their interests with the long term interests of our shareholders. It is an important tool to attract and retain a strong, focused and resilient executive team, to lead the company through all phases of the commodity cycle.

### Compensation approach

We approach executive compensation keeping the following guiding principles in mind:

<p><b>Strategic</b> Pay is strategically aligned with performance and shareholder experience</p>	<p><b>Appropriate and fair</b> Pay is aligned with our organizational structure and the scope of the role Internally equitable and benchmarked to the market</p>	<p><b>Competitive</b> Pay is externally competitive</p>
<p>Most of what our executives earn is variable and based on performance.</p> <p>Performance metrics, goals and weightings are defined every year based on our strategic plan and annual business plan and is impacted by share price performance.</p>	<p>The pay mix for more senior executives is more heavily weighted to pay tied to performance, as they have more influence on organizational performance over the long term.</p>	<p>Job evaluation is used to determine the scope of each position.</p> <p>Compensation targets and awards are fair and in line with what others in the company are earning.</p> <p>We benchmark executive compensation to provide market context and make sure the design of our incentive plans, mix of components and target compensation are competitive with the market.</p>

### How we link executive pay to our corporate strategy

Sherritt's goal is to be a leader in the low-cost production of finished nickel and cobalt that creates sustainable prosperity for our investors, employees and communities. Protecting the health and safety of our employees, contractors and communities is an equal priority. The table below (and continued on the next page) shows you our 2022 strategic priorities, and how they are linked to our 2022 compensation program.

#### 2022 Strategic priorities

#### How they are linked to our 2022 compensation program

<p><b>ACHIEVE BALANCE SHEET STRENGTH</b></p> <ul style="list-style-type: none"> <li>Maximize collections of overdue Cuban receivables</li> <li>Maximize available liquidity to support growth strategy</li> </ul>	<p>Financial metrics make up 100% of the corporate score for the short-term incentive plan:</p> <ul style="list-style-type: none"> <li>Adjusted EBITDA<sup>1</sup> and combined free cash flow<sup>1</sup> are equally weighted to support our goal of preserving liquidity, building balance sheet strength and maximizing free cash flow</li> </ul>
<p><b>ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER</b></p> <ul style="list-style-type: none"> <li>Accelerate plans to expand Moa JV nickel and cobalt production by up to 20% from the combined 34,710 tonnes produced in 2021</li> <li>Rank in lowest quartile of HPAL nickel producers for NDCC</li> </ul>	<p>Safety and environment in our Technologies business are included as performance metrics in short-term incentive:</p> <ul style="list-style-type: none"> <li>25% of the operational score for executives who manage the Metals division</li> </ul> <p>Production and cost of production in our Metals business are key performance metrics in the short-term incentive plan:</p> <ul style="list-style-type: none"> <li>45% of the operational score for executives who manage the Metals division</li> </ul> <p>Strategic goals focused on organizational effectiveness are included as performance metrics in the short-term incentive plan:</p> <ul style="list-style-type: none"> <li>20% of the operational score for executives who manage the Metals division</li> </ul> <p>Unit cost of production (normalized for fluctuations in market price of input commodities and by-product credits) contributes to the 50% internal performance score for the 2022 PSU awards, with Metals weighted at 50%.</p>

## 2022 Strategic priorities

## How they are linked to our 2022 compensation program

### LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH

- Support Moa JV expansion, operational improvements, and life of mine extension
- Advance Technologies solutions toward commercialization

Safety and environment in our Technologies business are included as performance metrics in the short-term incentive:

- 15% of the operational score for executives who manage the Technologies division

Strategic goals for our Technologies business are key performance metrics in the short-term incentive plan:

- 20% of the operational score for executives who manage the Technologies division

Developing the pipeline of technology projects is included as a performance metric in the short-term incentive plan:

- 65% of the operational score for executives who manage the Technologies division

Execution of the development pipeline goals for the Technologies division contribute to the 50% internal performance score for the 2022 PSU awards, with Technologies weighted at 20%.

### MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES (Oil & Gas and Power)

- Extend economically beneficial Energas power generation contract beyond 2023

Safety and environment in our Cuban energy business are included as performance metrics in the short-term incentive:

- 25% of the operational score for executives who manage the Cuban energy business

Production and cost of production in our Cuban energy business are key performance metrics in the short-term incentive plan:

- 25% of the operational score for executives who manage the Cuban energy business division

Strategic goals focused on organizational effectiveness are included as performance metrics in the short-term incentive plan:

- 50% of the operational score for executives who manage the Cuban energy business division

Expenditures against budget contribute to the 50% internal performance score for the 2022 PSU awards, with Oil & Gas and Power (OGP) weighted at 10%.

For our corporate executives, the weighted average of the divisional scores is used to link their compensation to the annual goals of the businesses. For 2022 the weighting was: Metals 50%, Metals Expansion 20%, Technologies 20% and OGP 10%.

<sup>1</sup> Non-GAAP financial measure. Non-GAAP measures are incorporated by reference. For additional information see the Non-GAAP and other financial measures section of this management information circular.

#### Context for the execution of Sherritt's strategic priorities

U.S. foreign policy has a unique impact on our business because of our operations in Cuba.

After a brief period of progress and improved economic relations with Cuba, the previous U.S. administration reinforced a policy of sanctions and economic isolation related to its Cuba dealings, adversely impacting Cuba, its economy and its ability to conduct international trade. Among other things, in May 2019 the United States for the first time ever decided to cease the suspension of Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (commonly known as the *Helms-Burton Act*), which authorizes United States nationals to commence actions in U.S. courts against individuals or entities that traffic in Cuban property confiscated by the Cuban government and for which the United States nationals own the claim to such property. While there had been optimism that the current U.S. President would have reversed many of these measures when he took office in January, 2021, any measures taken by the current administration to relax sanctions against Cuba have been limited.

The foregoing is in addition to Title IV, which may restrict Sherritt's officers, their spouses and dependent children, from travelling to the U.S. These measures have a significant impact on Sherritt's operations and can have a significant personal impact on our officers and our ability to attract and retain a strong and resilient leadership team.

American sanctions against Cuba and its trading partners also have an impact on Cuban liquidity, and that has affected our ability to get paid, the processing of payments, accessing suppliers of products and technology, and the cost of those goods. It has also limited banking relationships, increased the cost of capital and restricted our access to capital.

## COMPENSATION GOVERNANCE

The Human Resources Committee assists the Board in fulfilling its governance responsibilities for all matters relating to executive compensation. This includes the human resources strategic plan, incentive compensation plans, performance assessment, retirement benefits and succession planning. It also establishes our human resources and compensation policies and oversees compensation risk.

The Human Resources Committee is 100% independent and has three qualified members who have experience in executive management, human resources, executive compensation, corporate governance and risk management. It makes recommendations to the Board about executive compensation, including the program structure, and the balance of fixed and variable elements of compensation. It also recommends terms and conditions of employment, incentive plan design, performance evaluations for our senior executive officers, compensation decisions and management succession planning. The Committee also oversees our retirement plans through the work of the Management Retirement Committee.

The Human Resources Committee establishes an annual work plan at the beginning of every year, which typically includes:

- recommending performance goals, salaries, target incentive awards for the senior executives
- considering the total inventory of share-based compensation awards available for grant
- reviewing:
  - say on pay results
  - management training and development and succession plans
  - relative corporate performance
  - governance trends
  - share ownership requirements
  - director compensation.

Regularly scheduled meetings include a review of the year-to-date organizational performance, equity-compensation report, human resources strategic initiatives report and the Management Retirement Committee report. Some of the members of the Human Resources Committee are also members of the Audit Committee, and the Reserves, Operations and Capital Committee to ensure that discussions and decisions benefit from that expertise.

### Independent advice

The Human Resources Committee meets with its independent advisor without management present and the independent advisor attends all regular committee meetings to provide advice and counsel. The Human Resources Committee has retained Meridian Compensation Partners as its independent advisor since 2011. Meridian does not provide services to management.

Meridian attends all regularly scheduled Human Resources Committee meetings and provides the following services:

- advising on the compensation comparator group
- benchmarking executive and director compensation
- reviewing incentive plan design and performance measures
- assessing compensation risk and compensation governance
- providing reports on trends and regulatory updates.

<b>Fees paid to Meridian</b>	2021	2022
Executive compensation-related fees	\$87,228	\$162,217
All other fees	–	–
<b>Total</b>	<b>\$87,228</b>	<b>\$162,217</b>

Note: Work in 2022 included compensation review for senior executives and the board of directors

Management is invited to attend Committee meetings to present recommendations and updates. You can read more about the Human Resources Committee on page 31.

## MANAGING COMPENSATION RISK

The Human Resources Committee is responsible for evaluating compensation risk. It reviews the relationship between risk management policies, corporate strategy and executive compensation every year, and ensures that our executive compensation program is aligned with the risk assessment approved by the Board. See page 27 for more information about the Board's oversight of risk.

Based on its review of enterprise risks, incentive plans and the total reward program, the Committee, supported by its independent advisor, has concluded that Sherritt's compensation programs and policies are aligned with the company's risk profile and risk management objectives and do not encourage inappropriate risk-taking.

Risk management is integrated into three aspects of compensation at Sherritt:

### Culture and process

- Our strong governance culture ensures effective oversight of compensation design, risk and rewards.
- The Board has final decision-making authority on all executive compensation matters including recommendations by the Human Resources Committee.

### Policies

- Equity ownership – directors and executives are required to meet equity ownership requirements to align their interests with those of our shareholders. The CEO has to maintain equity ownership requirements for at least one year after retirement.
- Anti-hedging – our insider trading policy prohibits directors, officers and other employees from buying financial instruments designed to hedge or offset a decrease in the market value of our shares, and restricts the pledging of shares.
- Clawbacks – our recoupment policy allows us to claw back short-term and equity incentive awards if there is a material restatement of our financials that results in an overpayment of incentive compensation whether or not there was any misconduct.

### Plan design

- We use a balanced set of qualitative and quantitative measures to determine short-term incentive awards, based on executive level and line-of-sight and functional accountabilities.
- Equity incentives vest over time, to keep management exposed to the long-term consequences of their decisions
- Equity incentives incorporate both time and performance vesting.
- The Board can use its discretion to adjust the calculated awards up or down based on its overall assessment of performance and any extenuating circumstances or factors outside of management's control, guided by a set of core principles. See page 54 for more about our decision-making process.

## EQUITY OWNERSHIP

We introduced equity ownership requirements for executives in 2009. The requirement varies by level.

Executives have five years from the day they are appointed to a position with a new equity ownership level, to meet the requirement. PSUs, RSUs and shares, including shares acquired through the employee share ownership plan are counted towards the equity ownership requirement. The CEO has to maintain his equity ownership requirement for at least one year after he retires.

The table below shows each executive's equity holdings as of December 31, 2022. All of the named executives meet their equity ownership requirement. The named executives have purchased their shares either through our employee share ownership plan (see below), or through their own broker using their own after-tax money.

	Salary	Required equity ownership		Actual equity ownership as of December 31, 2022			Status
		Multiple	Amount	Shares	RSUs/PSUs	Total	
Leon Binedell	\$605,000	3.0x	\$1,815,000	\$164,990	\$1,880,834	\$2,045,824	3.4x meets requirement
Yasmin Gabriel	\$350,000	1.0x	\$350,000	\$85,643	\$652,928	\$738,570	2.1x meets requirement
Greg Honig	\$325,000	1.0x	\$325,000	\$76,280	\$737,196	\$813,476	2.5x meets requirement
Elvin Saruk	\$380,000	1.0x	\$380,000	\$698,085	\$2,546,251	\$3,244,336	8.5x meets requirement
Ward Sellers	\$375,000	1.0x	\$375,000	\$144,591	\$2,625,001	\$2,769,592	7.4x meets requirement

The value of shares is calculated using either the acquisition price or the closing price, whichever is higher, of our shares on the TSX on December 31, 2022 (\$0.52).

The value of RSUs and PSUs is calculated by multiplying our assumption for the number of units that vest by the grant price or by \$0.52 (whichever is higher). Vesting assumptions are as follows:

- RSUs granted in 2020, 2021 and 2022: assumes 100% of the units vest.
- PSUs granted in 2020, 2021 and 2022: assumes a performance factor of 100% (target) and that all of the units vest.

### Employee share ownership plan

To encourage employee share ownership, we introduced a voluntary employee share ownership plan in 2014 with the following key features:

- Employees, including the named executives, can direct up to 10% of their base salary to purchase shares by payroll deduction.
- We match 50% of employee contributions, up to \$2,500 per year.
- Shares are bought on the open market at the time the contribution is made.
- Employees must hold shares purchased with employer contributions until they have participated in the plan for at least 24 consecutive months.

## COMPENSATION BENCHMARKING

We benchmark executive compensation to provide market context and to make sure the design of our incentive plans, mix of components and target compensation are competitive with the market.

The Human Resources Committee uses two sources of data for benchmarking:

- proxy data from the comparator group below
- the Korn Ferry Mining Compensation Review, Global Executive Report, which provides a broader view of the market and more specific analysis for certain executive roles. The report includes pay data by function, size of role and geographical location, covering 75 global mining organizations.

The Committee considers the median as a point of reference, but does not set pay at a specific percentile. Senior executive compensation is determined based on several factors including market data, the scope of the role, the executive's experience in the role, sustained executive performance, and internal equity and retention risk. The independent advisor also provides market insight on senior executive compensation and market context to the Committee.

### 2022 comparator group review

Annually the Committee reviews the comparator group for continued relevance. Following the 2022 review, 3 comparators which had been acquired by private firms were removed, and 2 companies added as replacements.

### How we choose a comparator group

It is difficult to find companies that are similar to Sherritt because of the diverse nature and the complexity of our business:

- we have operating assets in nickel, cobalt, oil & gas and power generation
- we have operations, projects and investments in Canada and Cuba
- a significant portion of our business is conducted through complex joint ventures.

There are very few public nickel companies, and we compete with mining companies of other commodities for talent. We also have a unique combination of challenges not faced by any other company:

- companies with similar levels of market capitalization are not as complex because they do not have multiple assets, producing multiple products, in multiple jurisdictions
- Sherritt is Cuba's largest foreign investor and no other public company has such exposure to Cuba and the challenges in the United States from this investment
- Helms-Burton risk was amplified in 2019 with Title III under that Act becoming effective, giving U.S. nationals the right to sue those who allegedly traffic in confiscated Cuban property
- our inability to access capital markets in the U.S. or banks with significant U.S. operations limits our access to credit and makes managing liquidity more difficult.

With the input of its independent advisor, the Committee reviewed the comparator group for relevance in 2022. As part of this review, we continued to apply a multi-dimensional approach, using the following criteria:

	What we considered	Why we included it
Financial	Total revenue: 0.3 to 3x Sherritt's total revenue	This range of total revenue, including 50% of the Moa joint venture revenue recognizes the organizational complexity of the joint venture (see IFRS reporting requirements, below)
	Total assets: 0.2 to 4x Sherritt's total assets	This range of total assets captures Sherritt's operating assets of approximately \$1.6 billion, which represents the Moa joint venture assets on a 50% basis
	Total enterprise value: 0.3 to 3x Sherritt's total enterprise value	Joint venture accounting rules, which require equity accounting, result in an understatement of revenue (see IFRS reporting requirements, below)
Industry	Nickel producers, to the extent feasible	Comparable sensitivity to nickel price in their performance results
Operational	Geographic scope Challenging jurisdictions Number of business units/metal mix	A proxy for the complexities of our business
External	Included in relevant comparator groups	"Peer of peer"
Stock listing	Publicly traded on a North American stock exchange, with a focus on Canadian-listed companies	Operating in the same regulatory context provides consistency in disclosure

### IFRS reporting requirements

We conduct much of our business, including all of our nickel and cobalt business, through joint ventures. International Financial Reporting Standards (IFRS) requires us to report our financial results in a way that does not fully reflect the complexity of our company and the accountabilities of management due to IFRS treatment of our nickel and cobalt joint venture. This makes it challenging to rely on financial metrics to assess an appropriate compensation comparator group.

The IFRS joint venture accounting rules require us to understate the financial metrics we use to determine a comparator group:

- **reported revenue:** IFRS does not permit us to include all revenue generated by the Moa Joint Venture on our income statement.
- **total assets:** IFRS requires us to understate our proportionate share of the assets of the Moa Joint Ventures by netting out the liabilities of Moa within the Investment in Joint Venture and Investment in Associate line items on our balance sheet.

### 2022 comparator group

The analysis of the comparator group resulted in:

- retaining 17 companies from the former comparator group that continue to meet the evaluation criteria
- removing 3 comparators that were acquired by private companies
- adding 2 comparators that met the multi-dimensional criteria discussed above.

The table on the next page shows the 19 companies in the final 2022 comparator group, their key financial metrics and Sherritt's percentile ranking for assets, revenue and enterprise value as reported in our financial statements under IFRS.

It also includes the following information that the Committee believes is relevant context for interpreting the comparator group data:

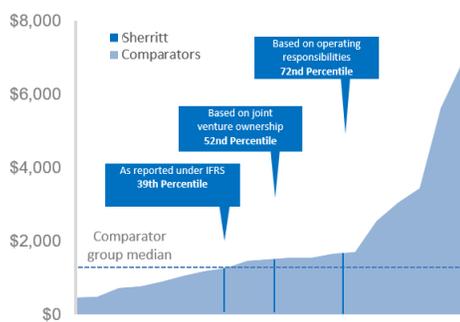
1. Assets and revenue adjusted to include the revenue and assets of Moa based on our 50% joint venture ownership interest.
2. Assets and revenue adjusted to reflect management's operating responsibilities at Moa (on a 50% basis).

A significant portion of our business is conducted through joint ventures.

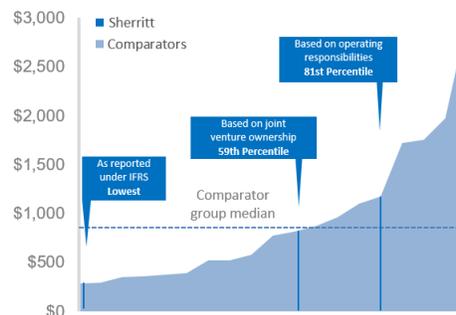
We look at our assets and revenue against our comparators in three ways:

1. As required by IFRS
2. Based on our joint venture ownership (50% Moa)
3. Based on our operating responsibilities (100% Moa)

### ASSETS (000's)



### REVENUE (000's)

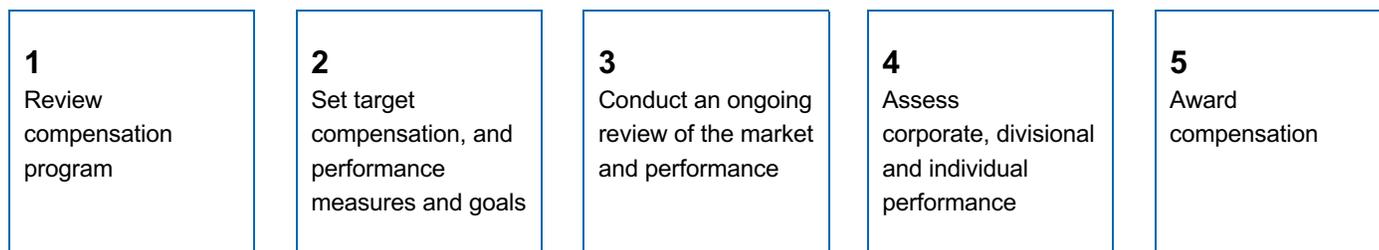


All financial data is sourced from S&P Capital IQ, as reported by each company as of December 31, 2022, and is shown in Canadian dollars. Assets represent the last quarterly disclosure, revenue reflects the trailing twelve months, and enterprise value is measured as at December 31, 2022 or the latest 2022 results publicly available at the time of printing of this Management Information Circular.

(\$millions)	Assets	Revenue	Enterprise value
5N Plus Inc.	\$471	\$358	\$412
Argonaut Gold Inc.	\$1,704	\$526	\$566
Aris Mining Corp.	\$1,732	\$518	\$603
Capstone Mining Corp.	\$7,283	\$1,754	\$4,582
Copper Mountain Mining Corp.	\$1,019	\$348	\$813
Dundee Precious Metals Inc.	\$1,566	\$771	\$683
Enerplus Corporation	\$2,623	\$2,959	\$5,928
Ero Copper Corp.	\$1,608	\$577	\$1,783
Frontera Energy Corp.	\$3,706	\$1,720	\$1,463
Gran Tierra Energy Inc.	\$1,808	\$963	\$1,089
Hudbay Minerals Inc.	\$5,855	\$1,978	\$3,113
Neo Performance Materials Inc.	\$876	\$871	\$301
New Gold Inc.	\$3,036	\$818	\$1,082
Livent Corporation Inc.	\$2,807	\$1,101	\$4,890
Sierra Metals Inc.	\$456	\$286	\$189
Silvercorp Metals Inc.	\$922	\$292	\$546
Taseko Mines Limited	\$1,279	\$392	\$987
Torex Gold Resources Inc.	\$2,156	\$1,175	\$873
Trevali Mining Corp.	\$623	\$379	\$61
<b>Peer group median</b>	<b>\$1,704</b>	<b>\$771</b>	<b>\$873</b>
<b>Sherritt International Corp</b>			
As reported under IFRS	<b>\$1,556</b>	<b>\$179</b>	<b>\$467</b>
	39th percentile	Lowest	19th percentile
Based on ownership interest in the Moa Joint Venture	<b>\$1,715</b>	<b>\$850</b>	
	52nd percentile	59th percentile	
Based on our operating responsibilities	<b>\$2,630</b>	<b>\$1,523</b>	
	72nd percentile	81st percentile	

# COMPENSATION PROCESS

Compensation decisions are supported by a strategic, vertically aligned goal setting and performance management process.



## 1. Review compensation program

The Human Resources Committee:

- reviews the strategic plan and annual business plan
- reviews our executive compensation programs and processes, including salaries, incentive plans, benefits, retirement plan and perquisites, in the context of market competitiveness and our business goals, with input from the independent advisor
- reviews director compensation against a market compensation study (see page 40 for more about director compensation)
- reviews the comparator group and an analysis of the principle criteria used to determine the comparator group.

The table below describes how the compensation program has evolved over the last few years.

<p><b>Key changes in 2020</b> Made changes to the long-term incentive awards to better reflect the business mix of the company</p> <ul style="list-style-type: none"> <li>• Adjusted the performance criteria for payouts of PSUs awarded in 2020, to increase the weighting on the metals and mining index and reduce the energy index.</li> <li>• Changed the ratio to consolidate the short-term incentive performance scores for Oil &amp; Gas and Power from 3:1 to 2:1 (respectively), to reflect the shift in the business mix.</li> <li>• Increased the weighting of Technologies' short-term incentive strategic goals to focus on projects with commercialization potential.</li> <li>• Updated each division's strategic goals to capture key 2020 actions emanating from the strategic plan.</li> <li>• Replaced Ambatovy's 2020 performance measure for the 2018 PSUs with Technologies, to reflect Sherritt's exit from Ambatovy.</li> </ul>	<p><b>Key changes in 2021</b> Reviewed our executive compensation given the impact of the balance sheet initiative on company business mix and operations:</p> <ul style="list-style-type: none"> <li>• Defined a new comparator group for compensation benchmarking, to align with our restructured business and strategy.</li> <li>• Adjusted the measures and weightings for 2021 short-term incentive awards to align with the 2021 business plan</li> <li>• Adjusted the performance criteria for payouts of PSUs awarded in 2021, to increase the weighting on the metals and mining index and reduce the weighting on the energy index. Changed the ratio to consolidate the short-term incentive performance scores for Oil &amp; Gas and Power from 2:1 to 1:2 (respectively), to reflect the shift in the business mix.</li> </ul>	<p><b>Key changes in 2022</b> Implemented changes to the short-term and long-term incentive awards to reflect a strategic shift toward growth of our Metals business</p> <ul style="list-style-type: none"> <li>• Adjusted the measures of the 2022 short-term incentive awards to align with the 2022 business plan including adding specific Metals expansion project measurements</li> <li>• Adjusted the internal performance criteria for payouts of PSUs awarded in 2022, to reflect Metals expansion project measurements</li> <li>• Adjusted the external performance criteria for valuation of PSUs awarded in 2022, to increase the weighting on the metals and mining index and eliminate the weighting of the energy index</li> <li>• Consolidated short-term incentive performance measures for Oil &amp; Gas and Power into one division.</li> </ul>	<p><b>Plans for 2023</b> Implement changes to the short-term and long-term incentive awards to reflect a strategic shift toward growth of our Metals business and growth of shareholder value</p> <ul style="list-style-type: none"> <li>• Adjust the measures of the 2023 short-term incentive awards to align with the 2023 business plan and placed more weighting on production and cost metrics</li> <li>• Remove the internal performance criteria for payouts of PSUs awarded in 2023 to now be based 100% on relative total shareholder return.</li> <li>• Re-introduce stock options for the senior executive team. 2023 equity grants to be granted 50% PSUs, 25% RSUs and 25% stock options.</li> </ul>
--	--	--	--

## 2. Set target compensation, and performance measures and goals

Target compensation is set relative to the market and to comparable internal positions, based on each executive position's scope and accountabilities.

Performance goals are defined from the strategic plan and the annual business plan and cascaded to the senior executive team and their teams.

Corporate performance focuses on annual goals aligned with our strategic priorities. Corporate financial targets, and operational / divisional safety and sustainability operational targets are established at the beginning of the year. These provide a balanced view of performance and reinforce our view that financial and production goals must be achieved safely, reliably and in a sustainable way. The measures are both quantitative and qualitative and are assessed at the corporate or divisional level, as appropriate.

## 3. Conduct an ongoing review of market and performance

The Board and the Committee monitor corporate performance against the targets as a regular item on their quarterly meeting agendas. This includes a review of quantitative performance results that compare the quarterly results to target, any variance and management's qualitative commentary. This process provides the opportunity for feedback and to make course corrections, as required, to ensure that performance expectations remain aligned with organizational goals.

## 4. Assess corporate, divisional and individual performance

### Corporate performance

The Committee reviews full year performance results and performance scores in the context of the overall market, the experience of shareholders during the fiscal year and global economic conditions. It looks at the company's response and risk mitigation, and considers factors beyond management's control and how they were managed.

### Individual performance

#### CEO

At the end of the fiscal year, the CEO prepares his self-assessment of his achievements against his goals and reviews them with the Board and HR Committee chairs. The Chair discusses the CEO's individual performance with each independent director and the Board determines the CEO's performance rating. The performance rating and the qualitative feedback provide input for the Committee and Board to consider when making decisions about the CEO's compensation.

#### Other senior executive officers, including the named executives

At the end of the fiscal year, all senior executive officers prepare self-assessments of their achievements measured against their individual goals for review with the CEO. Individual performance is assessed by the CEO and a performance rating recommended to the Committee. Performance is measured against both the annual goals that are set at the beginning of the year, the day-to-day execution of the position and the consistent demonstration of leadership capabilities, including focus on safety, operational excellence, operational effectiveness, leadership and tone from the top.

## 5. Award compensation

The Human Resources Committee recommends to the Board the CEO's salary, short-term and equity incentives for approval based on its assessment of organizational and individual performance, and its discussions with the CEO.

The CEO recommends salary, and short-term and equity incentive awards for the senior executive officers, taking into consideration the growth of individual capabilities, and organizational and individual performance. The CEO makes recommendations to the Committee and the Board for approval.

Compensation is approved at the February committee and board meetings, including:

- organizational performance scores for the short-term incentive plan
- achievement of individual performance goals
- short-term incentives for the previous year
- salaries for the current year
- equity incentives for the current year.

The Committee and the Board make their final determinations by applying sound business judgment considering input from management and the independent advisor. The Board has discretion to adjust awards up or down based on this qualitative overlay, and may make adjustments guided by a set of four core principles:

1. To avoid rewarding or penalizing management for unexpected events that are not within their primary area of accountability.
2. To keep incentives aligned with Sherritt's long-term business strategy and the best interests of shareholders.
3. To provide flexibility to deal with unexpected events, so targets can be set rigorously.
4. To make sure incentive payouts make sense taking into account Sherritt's overall performance.

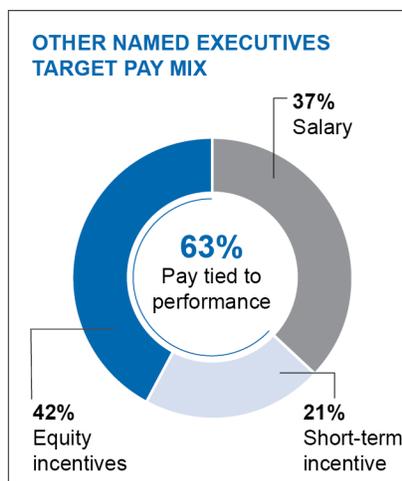
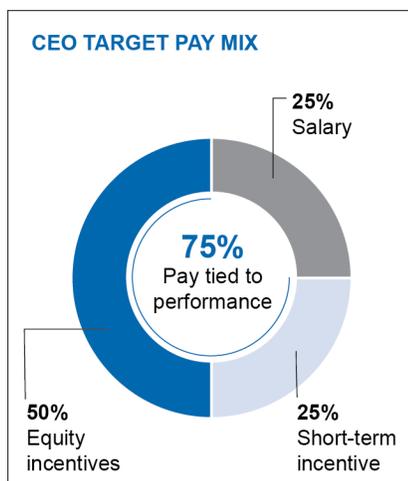
## COMPENSATION COMPONENTS

We offer a competitive total rewards program: fixed pay, incentive pay based on performance, and benefits including retirement, health and well-being and other benefits.

<b>Fixed pay</b>	<b>Salary</b> See page 58	Cash	Salary is based on the executive's role, skills and capabilities, and reviewed every year
<b>Pay tied to performance</b>	<b>Short-term Incentive</b> See page 58	Cash	Annual cash bonus depends on corporate, divisional and individual performance
	<b>Equity incentives</b> See page 63	Restricted share units (RSUs)	Three-year vesting. Payout depends on our share price at the time of vesting.
		Performance share units (PSUs)	Three-year vesting. Payout depends on relative shareholder return and company performance over the vesting period, and our share price at the time of vesting.
		Stock options (to be re-introduced in 2023 – see page 79)	10-year term for current outstanding options, 7-year term for any new options to be granted after 2022. Vests over three years starting on the first anniversary of the grant.
<b>Benefits</b>	<b>Retirement savings</b> See page 81	Group retirement savings plan	We contribute a fixed percentage of the executive's salary to a retirement savings program, in line with market practice
	<b>Employee share ownership plan</b> See page 50	Voluntary share ownership plan	Encourages employee share ownership by matching 50% of employee contributions, up to \$2,500 per year.
	<b>Other benefits and perquisites</b> See page 76	Perquisite allowance	Medical and dental benefits, disability coverage, life and accident insurance, and other benefits, in line with market practice

The mix of components is well balanced, rewarding short-, mid- and long-term performance through a mix of cash and equity. The more senior the executive, the more pay is tied to performance because we believe they have more influence on organizational performance over the long-term.

The graphs below show the 2022 target total direct compensation mix (based on target performance). The 2022 equity incentive is 50% PSUs and 50% RSUs for all named executives.



## 2022 EXECUTIVE COMPENSATION DECISIONS

### Salary

Salaries are reviewed at the beginning of every year, and are only adjusted to reflect an executive's consistent demonstration of increased capabilities, expertise and leadership in performing his or her role, or based on changes in the scope of the role or the market. The amounts below reflect annual salaries for each named officer.

	2021	2022	Comments
Leon Binedell	\$575,000	\$605,000	Hired President & CEO June 1, 2021
Yasmin Gabriel	\$330,000	\$350,000	Appointed CFO August 5, 2021
Greg Honig	\$325,000	\$325,000	Hired CCO August 9, 2021
Elvin Saruk	\$380,000	\$380,000	
Ward Sellers	\$375,000	\$375,000	

### Short-term incentive

#### Form and timeframe

Cash bonus based on corporate, operational and individual performance against pre-determined goals and paid early in the following year once the year-end results are finalized. See page 54 for more about our decision-making process.

#### Target incentive

Each executive's target award is based on market level and internal equity. Target awards are calculated as a percentage of salary (see the table on the next page). The CEO's target percentage has not changed since his appointment.

#### How we calculate the award

The amount of the award depends on the executive's short-term incentive score, which is calculated based on corporate, operational and individual performance against goals aligned with our strategic priorities. Goals are set at the beginning of the year and are both quantitative and qualitative.

Weightings vary by executive level, line-of-sight and functional accountabilities:

- **Corporate performance** focuses on corporate financial performance.
- **Operational performance** focuses on operational safety and sustainability, production volume, unit cost of production and strategic goals at each of our operations.
- **Individual performance** is measured against the annual goals set at the beginning of the year, day-to-day performance in their role and consistent demonstration of leadership capabilities, including focus on safety, operational excellence, operational effectiveness, leadership and tone from the top. The score for individual performance ranges from 80 to 120 percent for performance that meets expectations and is capped at 150 percent for those who exceed expectations. See the profiles of our named executives beginning on page 67 for information about their individual performance this year.

The Board can use its discretion to adjust the calculated awards up or down based on its overall assessment and any extenuating circumstances or factors outside of management's control, guided by a set of four principles. See page 54 for more about our decision-making process.

#### Managing compensation risk

The short-term incentive can be clawed back if there is a material restatement of our financials that results in an overpayment of incentive compensation. See page 49 for more information about managing compensation risk.

The award is forfeited if the executive resigns or is terminated for cause (see page 82 for more information about termination).

## 2022 short-term incentive awards

The table below shows the 2022 short-term incentive award for each named executive. Payouts ranged from 127.5% to 141% of target based on each executive's short-term incentive score. Corporate, operational and individual weightings were based on the level of executive. After discussion, the Board determined there was no reason to apply any discretion to adjust the awards from the calculated amounts as the outcomes aligned with the achievements of 2022 (see below).

	Salary	x	Short-term incentive target	x	2022 short-term incentive score Organizational scores 0 – 200 Individual scores 0 – 150			=	2022 short-term incentive award
					Corporate (page 59)	Operational (page 60)	Individual (page 67)		
Leon Binedell <sup>1</sup>	\$597,500	x	100%	x	[200 x 30% + 106 x 50% + 140 x 20%]	=	141.0%	=	\$842,475
Yasmin Gabriel	\$345,000	x	60%	x	[200 x 20% + 106 x 50% + 150 x 30%]	=	138.0%	=	\$285,660
Greg Honig	\$325,000	x	60%	x	[200 x 20% + 106 x 50% + 115 x 30%]	=	127.5%	=	\$248,625
Elvin Saruk <sup>2</sup>	\$380,000	x	60%	x	[200 x 20% + 107 x 50% + 130 x 30%]	=	132.5%	=	\$302,100
Ward Sellers	\$375,000	x	50%	x	[200 x 20% + 106 x 50% + 120 x 30%]	=	129.0%	=	\$241,875

- Leon Binedell has irrevocably and unconditionally forfeited his entitlement to 10% of his short-term incentive. The corporation has expressed its intention to use these funds to establish a CEO Scholarship Fund. Actual award paid to Leon Binedell was \$758,227.
- Elvin Saruk's divisional score reflects the average of OGP and Metals Expansion divisional performance as his efforts in 2022 were primarily focused in these two areas.

## 2022 short-term incentive performance and pay relationship

The relationship between performance and pay is consistent for each short-term incentive measure. Performance is measured as a percentage of target. Threshold performance is set at 80% of target, and maximum performance is set at 120% of performance. At threshold performance, the minimum level of performance that will generate a payout, the performance score is 50. At target performance, the expected level of performance, the performance score is 100. At maximum performance, the performance score is capped at 200. This approach aligns with our pay for performance philosophy, in that performance that exceeds target delivers increased short-term incentive awards.

### 2022 corporate performance score

Corporate performance in 2022 was measured against two financial metrics linked to our strategy. Scores for performance between threshold and target, and target and maximum, are calculated on a straight-line basis.

Performance scores are capped at 200%.

Performance below threshold receives a score of zero.

#### Adjusted EBITDA

2022 adjusted EBITDA was \$217.6 million, above the maximum of \$78.6 million, resulting in a score of 200.

#### Combined free cash flow

2022 combined free cash flow was \$65.1 million, above the maximum of \$(34.5) million, resulting in a score of 200.

#### Corporate performance

Target = 100  
Threshold: 80  
Maximum = 120

Link to strategy:

- Preserve liquidity and build balance sheet strength

#### Adjusted EBITDA (50%)

A proxy for cash generated by our operating activities (on an accrual basis), a standard industry metric

200

#### Combined free cash flow (50%)

The cash generated or used by all of our business units

200

#### Corporate score

200

#### FINANCIAL

	THRESHOLD	TARGET	MAX
Adjusted EBITDA (\$millions)	\$52.4	\$65.5	\$78.6
	\$217.6		
Combined free cash flow (\$millions)	(\$51.7)	(\$43.1)	(\$34.5)
	\$65.1		

## 2022 operational performance scores

Operational performance in 2022 was measured in two categories:

1. an operational score for executives who have direct responsibility for a division – they are compensated based on safety, environment, production and cost performance and on the achievement of strategic milestones of that division.
2. an operational score for corporate-level executives (the named executives) – the weighted average of each of the divisional scores.

Safety and sustainability	Production and costs	Strategic goals
Target = 100 Target = 100 Maximum = 150  Link to strategy: <ul style="list-style-type: none"> <li>• Achieve peer-leading performance in environmental health, safety and sustainability</li> </ul>	Threshold: 50 Target = 100 Maximum = 150  Link to strategy: <ul style="list-style-type: none"> <li>• Optimize metals businesses to maintain a leadership position as a low-cost producer of finished nickel and cobalt while maximizing free cash flow</li> <li>• Further reduce net direct cash costs<sup>1</sup> towards the goal of being consistently in the lowest cost quartile</li> <li>• Optimize opportunities in our Cuban energy business</li> </ul>	Threshold: 50 Target = 100 Maximum = 200  Link to strategy: <ul style="list-style-type: none"> <li>• Key 2022 milestones necessary for the achievement of the strategic plan</li> </ul>

### 1. Divisional operational scores for executives who manage a division

The weighting of the three divisional scores varies by executive based on their accountabilities

Safety	Environment	Production	Cost / expense/ liquidity measures	Strategic goals	Divisional operational scores	
Safety plan completion (leading measure) Total reportable incident frequency rate (lagging measure)  Weighting: <ul style="list-style-type: none"> <li>• Metals, Oil &amp; Gas and Power, Metals Expansion: 15%</li> <li>• Technologies (leading measure only): 15%</li> </ul>	High severity environmental incidents  Weighting: <ul style="list-style-type: none"> <li>• 10.0%</li> </ul>	Annual production volume  Weighting: <ul style="list-style-type: none"> <li>• 25.0% (Metals only)</li> </ul>	Metals: unit cost of production <sup>1</sup> Weighting: <ul style="list-style-type: none"> <li>• 20.0%</li> </ul> Oil & Gas and Power: liquidity expense vs. budget Weighting: <ul style="list-style-type: none"> <li>• 25%</li> </ul>	Our performance in executing the 2022 plans aligned with our strategy  Weighting: <ul style="list-style-type: none"> <li>• Metals 30%</li> <li>• OGP: 50%</li> <li>• Technologies: 70%</li> <li>• Metals Expansion: 75%</li> </ul>		
Metals	$200 \times 15\% = 30$	$100 \times 10\% = 10$	$87 \times 25\% = 22$	$75 \times 20\% = 15$	$108 \times 30\% = 32$	<b>109</b>
Oil & Gas and Power	$73 \times 15\% = 11$	$100 \times 10\% = 10$		$100 \times 25\% = 25$	$145 \times 50\% = 73$	<b>119</b>
Technologies			+ Development pipeline:	$104 \times 20\% = 21$	$100 \times 65\% = 65$	<b>104</b>
Metals Expansion					$93 \times 75\% = 70$	<b>95</b>

<sup>1</sup> Non-GAAP financial measure. Non-GAAP measures are incorporated by reference. For additional information see the Non-GAAP and other financial measures section of this management information circular.

#### See page 61 for details about each division's performance

- Scores for performance between threshold and target and target and maximum are calculated on a straight-line basis.
- Performance scores are capped at 200%. Performance below threshold receives a score of zero.
- We combine the results from Oil & Gas and Power for compensation purposes, because the two operations are integral parts of our Cuban energy business and share a common infrastructure and leader.

#### 2. Operational score for corporate executives

This operational score applied to four of the 2022 named executives:

- Leon Binedell
- Greg Honig
- Yasmin Gabriel
- Ward Sellers

Metals	$109 \times 50\% = 54$
Oil & Gas and Power	$119 \times 10\% = 12$
Technologies	$104 \times 20\% = 21$
Metals Expansion	$95 \times 20\% = 19$

**Combined = 106**

**Operational score for corporate executives**

### Metals (operational score 109)

Safety is measured by leading indicators (execution of safety plan) and lagging indicators (total reportable incident frequency rate). Safety interactions and total reportable incident frequency rate both exceeded target, resulting in a score of 200. There were no severe environmental incidents, resulting in a score of 100.

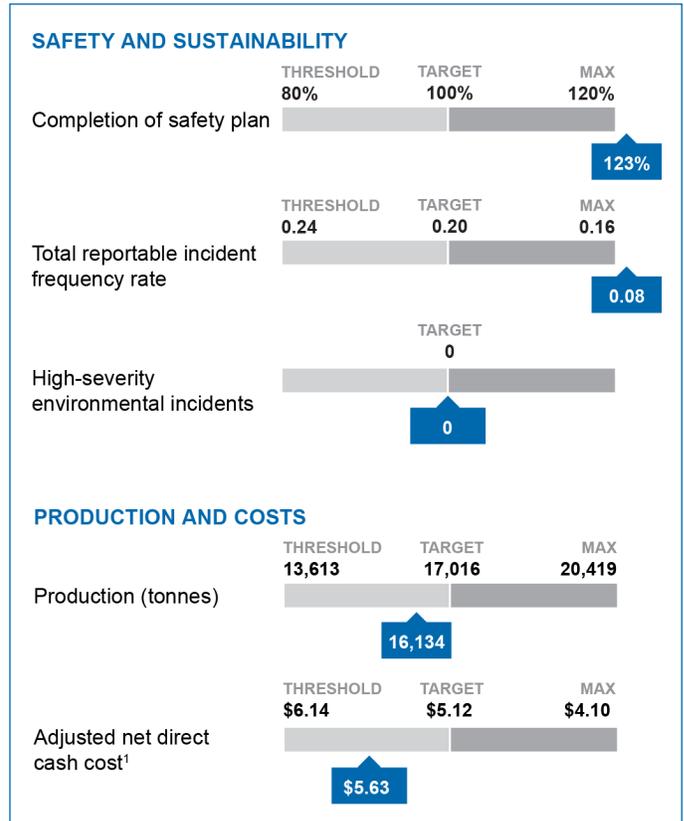
Production levels were slightly below target, a solid result, given the need to overcome several unexpected events, including high rainfalls, lower leach train availability and national power outages, impacting production of mixed sulphides. This resulted in a score of 87.

Unit cost of production<sup>1</sup> was slightly below target, as a direct result of lower cobalt sales volumes as well as lower nickel production, partially offset by lower 3<sup>rd</sup> party feed consumption. This resulted in a score of 75.

There were three qualitative strategic goals for 2022, all aligned with key milestones of the strategic plan with specific focus on organizational effectiveness. These were averaged, for a combined score of 108:

- Execute 5-year Sustainability – met, exceeded schedule, scored 125.
- Execute updated Fort cash generation plan – met, on schedule, scored 100.
- Support execution of Metals Expansion plan – met, on schedule, scored 100.

<sup>1</sup> Adjusted net direct cash cost uses budgeted commodity prices to exclude the impact of commodity price fluctuations outside of management’s control, as a more accurate measure of cost efficiency.



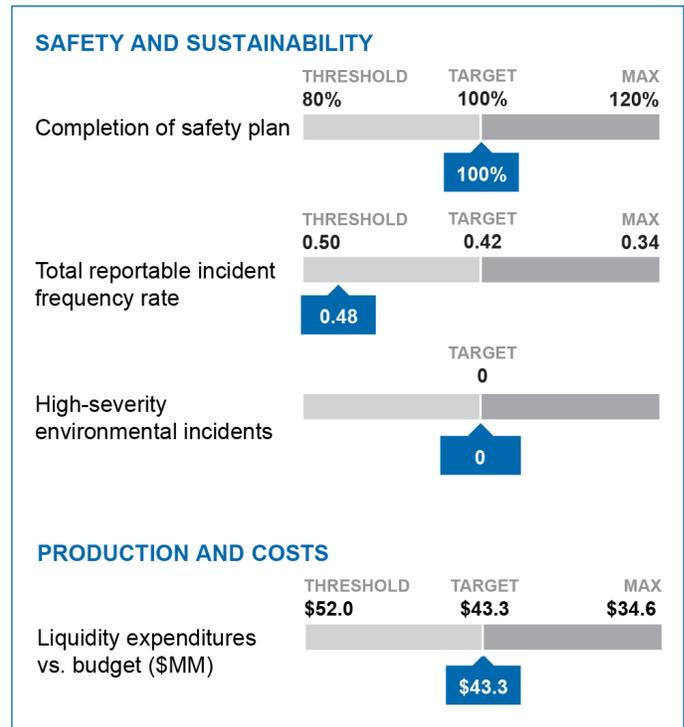
### Oil & Gas and Power (operational score 119)

Safety is measured by leading indicators (execution of safety plan) and lagging indicators (total reportable incident frequency rate). Safety plan was executed on target and total reportable incident frequency rate was below target, resulting in a safety score of 73. There were no severe environmental incidents, resulting in a score of 100.

Liquidity expenditures vs. budget was on target, resulting in a score of 100.

The 2022 strategic goals for Oil & Gas and Power, were combined. There were three qualitative strategic goals for 2022, aligned with key milestones of the strategic plan. These were averaged, for a combined score of 145:

- Test the PE-14 and work with CUPET as to the additional gas that can be produced from the PE field – reached the maximum, scored 200.
- Secure Energas Contract Extension – Plan objectives achieved – scored 100.
- Execute year-4 of the 5 year sustainability plan – project objectives exceeded target – scored 125.



### Technologies (operational score 104)

Safety is measured by the leading indicator of developing and implementing a site-wide safety plan. Above-target performance on the implementation of the safety plan resulted in a score of 120. While there is not a specific measure for the environment, due to the nature of Technologies (research, laboratory work) the Committee retains discretion should there be an environmental incident.



There were two qualitative development pipeline strategic goal for 2022, aligned with key milestones of the strategic plan. The generation and vetting of innovative ideas is the focal point of Technologies:

- Progression of ideas through the pipeline – exceeded expectations, scored 115.
- Completion of ideas through the pipeline – met expectations, scored 100.

There were three qualitative strategic goals for 2022, aligned with key milestones of the strategic plan:

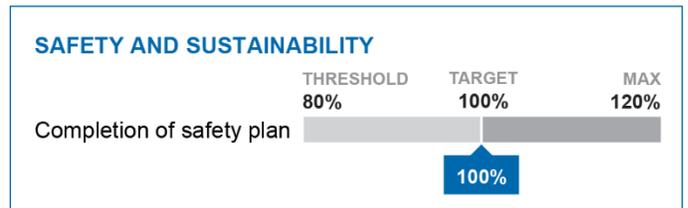
- Execution of Metals expansion plan – met expectations, scored 100.
- Commercial plan execution for at least one key technology – met expectations, scored 100.
- Value proposition plan – met expectations, scored 100.

### Metals Expansion (operational score 95)

Safety is measured by leading (execution of safety plan)  
Safety plan was executed on target, resulting in a score of 100.

There were two strategic goals for 2022, aligned with key milestones of the strategic plan:

- Moa expansion plans and approvals – was slightly below expectations, scored 91.
- Corefco expansion plan – met expectations, scored 100.



## Equity incentives

### Why we use them

- To align with shareholder interests through equity-based awards.
- To reward for contributions by recognizing the achievement of mid- and long-term corporate and strategic goals.
- To support retention through deferred vesting and settlement.

### How we set the compensation target

Each executive's target award is based on the market, internal equity, experience in the role, performance and anticipated contributions to our future performance and growth, and set within a range for the position.

### Form of the award

Awarded early in the year as an incentive for future performance. See page 54 for more about our decision-making process. Equity incentives are allocated to PSUs and RSUs, which are issued under our executive share unit plan. Stock options were last awarded in 2018 and reintroduced for 2023. No amendments were made to the executive share plan in 2022. At least 50% of equity incentive awards are allocated to PSUs every year.

#### PSUs

PSUs are notional shares that vest at the end of three years and pay out in cash based on performance and on the price of our shares at the time of vesting.

PSUs earn dividend equivalents at the same rate as dividends paid on our common shares, if any. The additional units are reinvested as additional PSUs, which vest at the same time and with the same performance conditions as the initial award. PSUs cannot be assigned.

The number of PSUs that vests depends on our performance. See below for the performance conditions attached to the 2022 PSU awards.

The amount the executive receives on payout is calculated by multiplying the number of units that vest by the volume-weighted average price of our shares on the TSX for the five trading days immediately before the vesting date.

#### RSUs

RSUs are notional shares that vest at the end of three years and pay out in cash based on the price of our shares at the time of vesting.

RSUs also earn dividend equivalents at the same rate as dividends paid on our common shares, if any. The additional units are reinvested as additional RSUs, which vest at the same time as the initial award.

RSUs cannot be assigned. The amount the executive receives is calculated by multiplying the number of units that vest by the volume-weighted average price of our shares on the TSX for the five trading days immediately before the vesting date.

The 2022 equity awards were allocated 50% to performance share units and 50% to restricted share units.

#### Managing compensation risk

Equity incentives (unvested RSUs and PSUs, issued options) can be clawed back if there is a material restatement of our financials that results in an overpayment of incentive compensation. See page 49 for more information about managing compensation risk.

RSUs, PSUs and options are forfeited if the executive resigns or is terminated for cause (see page 82 for more information about termination).

The Board can make changes to the executive share unit plan and the stock option plan subject to any required regulatory or shareholder approvals, although previously granted awards cannot be negatively affected without the participant's consent. See page 79 for more information about making changes to the stock option plan.

## 2022 equity incentive awards

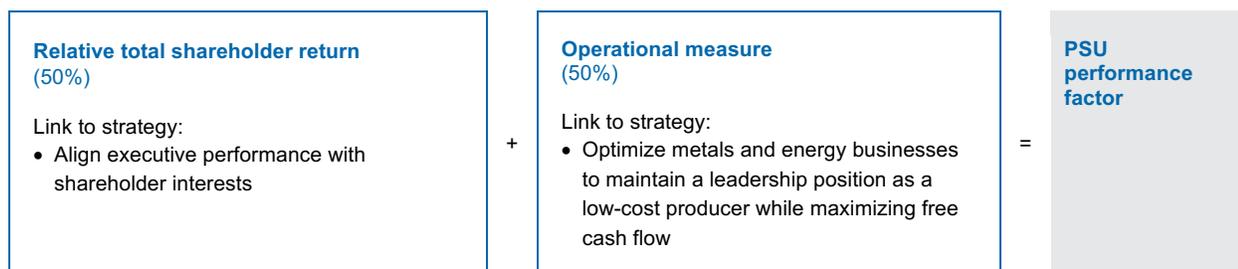
The table below shows the 2022 equity incentive awards for each named executive, and how they were allocated.

We calculated the number of RSUs and PSUs awarded by dividing the dollar amount of the award by the volume-weighted average trading price of our shares on the TSX for the five trading days immediately before the grant date (rounded up to the nearest whole unit).

	2022 equity incentive awards	Allocation			
		PSUs (50%)		RSUs (50%)	
Leon Binedell	\$1,210,000	\$605,000	1,008,334 units	\$605,000	1,008,334 units
Yasmin Gabriel	\$350,000	\$175,000	291,667 units	\$175,000	291,667 units
Greg Honig	\$325,000	\$162,500	270,834 units	\$162,500	270,834 units
Elvin Saruk	\$485,000	\$242,500	404,167 units	\$242,500	404,167 units
Ward Sellers	\$500,000	\$250,000	416,667 units	\$250,000	416,667 units

## Performance conditions for the 2022 PSU awards

The 2022 PSU awards are scheduled to vest in 2025. The number of units that vest will depend on the PSU performance factor, which will be calculated using two equally-weighted metrics – An external measure, which is TSR relative to our industries, and a weighted average of internal performance measures for our divisions which include unit cost of production (Metals); expenditures vs. budget (OGP), and strategic measures (Technologies, Metals Expansion).



## Relative total shareholder return (50%)

In 2022, the indices were changed to reflect the business strategy of the company. The energy index, previously included, was removed, and the weighting of the metals and mining index (S&P/TSX Metals and Mining Industry Index (Bloomberg: STMETLR)) was increased to 100%.

Performance will be assessed using the following performance scale. The score is capped at 100% if our TSR for the performance period is negative, strengthening the alignment with what our shareholders experience. Values between threshold and maximum will be calculated on a straight-line basis.

	Minimum	Threshold	Target	Maximum
<b>If our relative total shareholder return is:</b>	More than 25 percentage points below the index	25 percentage points below the index	The same as the index	50 percentage points or more above the index
<b>The performance score will be:</b>	0	50	100	200

### Operational measure (50%)

Measured against an internal performance metric aligned with our strategic goal of being a sustainable low-cost producer. Metals will be assessed against their target unit cost of production for each fiscal year of the three-year performance period. Technologies will be assessed against its progress on our development pipeline, which is key to future development of innovative technologies to support future efficiencies. OGP will be assessed based on expenditures against budget, and Metals Expansion will be assessed based on achievement of strategic milestones. Disclosure of these targets in advance would provide competitively sensitive information. Operation results for 2022 PSUs will be weighted as follows: Metals 50%, Technologies 20%, OGP 10% and Metals Expansion 20%.

Performance will be assessed using the following performance scale. Values between threshold and target, and target and maximum will be calculated on a straight-line basis.

<b>If our internal measures are:</b>	<b>Minimum</b> More than 20% unfavourable to budget	<b>Threshold</b> 20% unfavourable to budget	<b>Target</b> At budget	<b>Maximum</b> More than 20% favourable to budget
<b>The performance score will be:</b>	0	50	100	200

### Payout of the 2019 mid-term incentive awards

The 2019 mid-term incentive vested on February 28, 2022, and were paid out in cash. The mid-term incentive awards for the named executive officers consisted of 50% performance-based (PSU) and 50% time vested (RSU). 53% of the PSUs vested because of the performance factor (see below) and 100% of the RSUs vested because they were time-vested only.

The mid-term incentive paid out at 92% for the named executive officers based on the number of PSUs and RSUs vesting and our share price at the time of vesting (the volume-weighted average price of our shares on the TSX for the five trading days immediately before the redemption date).

	2019 mid-term incentive grant	Share price on the grant date	Number of vested units	x	Share price on vesting	= Payout	As a percentage of the grant value
Yasmin Gabriel <sup>1</sup>	\$25,000	\$0.49	39,032	x	\$0.59	\$23,029	92%
Elvin Saruk	\$485,000	\$0.49	757,194	x	\$0.59	\$446,744	92%
Ward Sellers	\$500,000	\$0.49	780,614	x	\$0.59	\$460,562	92%

<sup>1</sup> Yasmin Gabriel was in a non-executive role when she was granted equity in 2019.

### 2019 Performance share unit performance factor

The percentage of 2019 performance share units that vested is calculated by equally weighting the performance factors for each of the performance measures as shown in the table below. 53% of the 2019 PSUs vested and were paid out.

<b>Relative total shareholder return (50%)</b> Score: 0	+	<b>Operational measure (50%)</b> Score: 106	=	<b>PSU performance factor</b> 53
--	---	--	---	-------------------------------------

## How we calculated the performance factor

### Relative total shareholder return (50%)

The table to the right shows the weighted average TSR for our industries from February 26, 2019 to February 26, 2022, resulting in a combined weighted index of 175. The table below shows our TSR over the same period against the industries' performance. Our performance of 107 was below the threshold, resulting in a score of 0% for this measure.

<b>S&amp;P/TSX Metals and Mining Industry Index</b> (Bloomberg: STMETL)  <b>169 x 67%</b>	+	<b>S&amp;P/TSX Oil &amp; Gas, Exploration &amp; Production Industry Index</b> (Bloomberg: STOILP)  <b>188 x 33%</b>	=	<b>Combined weighted index</b>  <b>175</b>
--	---	--	---	--

	Minimum (score: 0) More than 25 percentage points below the combined weighted index	Threshold (score: 50) 25 percentage points below the combined weighted index	Target (score: 100) The same as the combined weighted index	Maximum (score: 200) 50 percentage points or more above the combined weighted index
<b>Combined weighted TSR index</b>	<150	150	175	225
<b>Sherritt TSR</b>	<b>107</b>			
<b>Score</b>	<b>0</b>			

### Operational measure – Unit cost of production (50%)

The table to the right shows our actual unit cost of production performance indexed to target (100%) for each division and each of the three years of vesting. Performance produced an overall index to target of 101. This resulted in a performance score of 106 for this measure.

	Performance indexed to target		
	2019	2020	2021
Metals	105	100	99
Technologies	125	110	105
OGP	84	69	106
<b>Overall index to target</b>	<b>101</b>		

	Minimum (score: 0) More than 20% unfavourable to budget	Threshold (score: 50) 20% unfavourable to budget	Target (score: 100) At budget	Maximum (score: 200) More than 20% favourable to budget
<b>Sherritt weighted operational measure indexed to target</b>	<b>101</b>			
<b>Score</b>	<b>106</b>			

## LEON BINEDELL

President & CEO

Leon Binedell is accountable for developing and implementing Sherritt's company-wide strategy, making major corporate decisions and managing our growth, operations and overall performance.



### 2022 Key results

- Significantly improved the balance sheet through 35% reduction in long-term debt, resulting in \$13 million in annual interest savings
- Concluded a reliable and sustainable transaction with our Cuban partners to recover \$362 million in total receivables over five years; expanded the Moa Swap to facilitate Energas liquidity
- Strengthened and expanded our relationship with senior Cuban leadership
- Metals Expansion on schedule and budget, with the aim to deliver 20% increase in metals production in MSP by the end of 2024
- Extension of the Power operating agreements for an additional 20 years and established agreement with our Cuban partners to increase gas production, resulting in exceeding the power production guidance by 13%
- Notably improved safety performance, operating without serious injury or material environmental incidents

### 2022 Compensation review

Leon was successful in delivering on his goals and the compensation decisions considered his achievements in 2022. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

		2021 Actual	2022 Target	2022 Actual
Salary	Cash	\$335,417	\$597,500	\$597,500
Short-term incentive <sup>1,2</sup>	Cash	\$437,720	\$597,500	\$842,475
Equity incentives	RSUs	\$335,417	\$605,000	\$605,000
	PSUs	\$335,417	\$605,000	\$605,000
<b>Total direct compensation</b>		<b>\$1,443,971</b>	<b>\$2,405,000</b>	<b>\$2,649,975</b>
Compared to target				+10%
Compared to 2021 <sup>1</sup>				–

1 Leon Binedell was appointed Chief Executive Officer (CEO) June 1, 2021. His 2021 compensation was prorated from his appointment date to December 31, 2021 and thus did not represent a full year's earnings.

2 Leon Binedell has irrevocably and unconditionally forfeited his entitlement to 10% of his short-term incentive. The corporation has expressed its intention to use these funds to establish a CEO Scholarship Fund. Actual award paid to Leon Binedell was \$758,227.

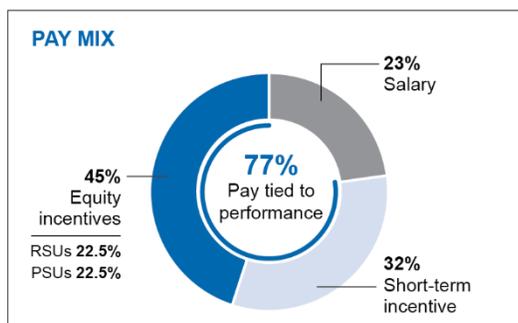
#### Short-term incentive (see page 58)

Leon's 2022 short-term incentive award was approved in February 2023. It paid out at 141.0% of his target, based on corporate, operational and individual performance.

- Corporate financial score: 200 – because we exceeded the maximum performance for adjusted EBITDA and combined free cash flow (see page 59).
- Operational score: 106 – a blend of results from Metals, Oil & Gas and Power, Technologies and Metals Expansion (see page 60).
- Individual score: 140 – based on his individual achievements in 2022.

#### Equity incentives (see page 63)

Leon's 2022 equity incentive award was allocated 50% to RSUs and 50% to PSUs.



## YASMIN GABRIEL

CFO

Yasmin Gabriel is accountable for the strategic coordination of all financial matters and current and long-term effectiveness of all financial functions, Investor Relations and Information Technology. She serves as a member of the Board of Directors and Chair of the Audit Committee for the Moa Joint Venture. She contributes to Sherritt's overall success through active participation in strategic planning and other key corporate processes.



### 2022 Key results

- Led the successful negotiation to recover the full amount (\$368 million) of Energy receivables by the end of 2027 through the Cobalt Swap agreement and extended the Moa Swap agreements to support liquidity and secure stable Power operations
- Led both long-term debt transactions, resulting in a reduction of \$150 million (35%) in long-term notes and \$13 million of annual interest expense
- Established strong relationships with Senior Cuban Government Officials and other key stakeholders
- Active role engaging and gaining alignment with Moa Joint Venture partner on strategic initiatives including expansion plans
- Led the establishment of a unified global finance function, resulting in enhanced operational efficiencies and improved support to the business

### 2022 Compensation review

Yasmin was successful in delivering on her goals and the compensation decisions considered her achievements in 2022. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

		2021 Actual	2022 Target	2022 Actual
Salary	Cash	\$234,820	\$345,000	\$345,000
Short-term incentive	Cash	\$112,479	\$207,000	\$285,660
Equity incentives	RSUs	\$76,042	\$175,000	\$175,000
	PSUs	\$76,042	\$175,000	\$175,000
<b>Total direct compensation</b>		<b>\$499,382</b>	<b>\$902,000</b>	<b>\$980,660</b>
Compared to target				+9%
Compared to 2021 <sup>1</sup>				–

<sup>1</sup> Yasmin Gabriel's 2021 compensation in the table above reflects her time and contributions in her role as VP, Finance (January 1 – August 4) as well as CFO (August 5 – December 31), and thus did not reflect a full year as CFO.

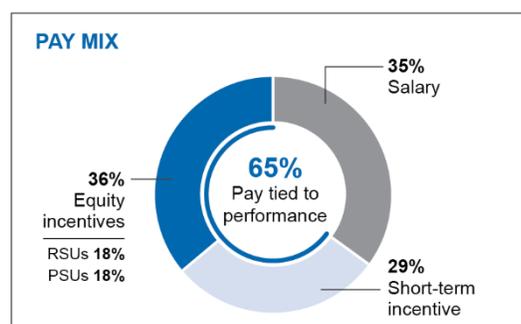
### Short-term incentive (see page 58)

Yasmin's 2022 short-term incentive award was approved in February 2023, It paid out at 138% of her combined target, based on corporate, operational and individual performance.

- Corporate financial score: 200 – because we exceeded the maximum performance for adjusted EBITDA and combined free cash flow (see page 59).
- Operational score: 106 – a blend of results from Metals, Oil & Gas and Power, Technologies and Metals Expansion (see page 60).
- Individual score: 150 – based on her individual achievements in 2022.

### Equity incentives (see page 63)

Yasmin's 2022 equity incentive award was allocated 50% to RSUs and 50% to PSUs.



## GREG HONIG

Chief Commercial Officer

Greg Honig is accountable for corporate strategy and corporate development, as well as overseeing Marketing, Technologies, and Sustainability. He contributes to Sherritt's overall success through active participation in strategic planning and other key corporate processes.



### 2022 Key results

- Leadership and coordination of corporate strategic planning
- Led Technologies efforts to commercialize proprietary technologies and support for JV expansion
- Successfully took leadership of Marketing and Sustainability functions
- Led efforts to advance long-term strategic off-take and M&A opportunities
- Key contributor to successful delivery of 2022 strategic priorities, including Cobalt Swap and debt repurchases
- Supported ESG, and diversity and inclusion initiatives

### 2022 Compensation review

Greg was successful in delivering on his goals and the compensation decisions considered his achievements in 2022. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

		2021 Actual	2022 Target	2022 Actual
Salary	Cash	\$128,125	\$325,000	\$325,000
Short-term incentive	Cash	\$93,404	\$195,000	\$248,625
Equity incentives	RSUs	\$162,500	\$162,500	\$162,500
	PSUs	\$162,500	\$162,500	\$162,500
<b>Total direct compensation</b>		<b>\$546,529</b>	<b>\$845,000</b>	<b>\$898,625</b>
Compared to target				+6%
Compared to 2021 <sup>1</sup>				–

<sup>1</sup> Greg Honig was appointed CCO August 9, 2021. His 2021 compensation was prorated from his appointment date to December 31, 2021 and did not represent a full year's earnings.

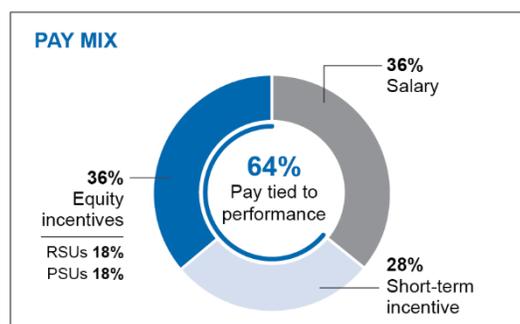
### Short-term incentive (see page 58)

Greg's 2022 short-term incentive award was approved in February 2023. It paid out at 127.5% of his target, based on corporate, operational and individual performance.

- Corporate financial score: 200 – because we exceeded the maximum performance for adjusted EBITDA and combined free cash flow (see page 59).
- Operational score: 106 – a blend of results from Metals, Oil & Gas and Power, Technologies and Metals Expansion (see page 50).
- Individual score: 115 – based on his individual achievements in 2022

### Equity incentives (see page 63)

Greg's 2022 equity incentive award was allocated 50% to RSUs and 50% to PSUs.



## ELVIN SARUK

SVP, OGP & Head of Growth Projects

Elvin Saruk is accountable for safe, cost-effective leadership of the Cuban-based energy businesses. Elvin runs our Oil & Gas business and a Power generation facility in Cuba. He contributes to our overall success through active participation in strategic planning and other key corporate processes.



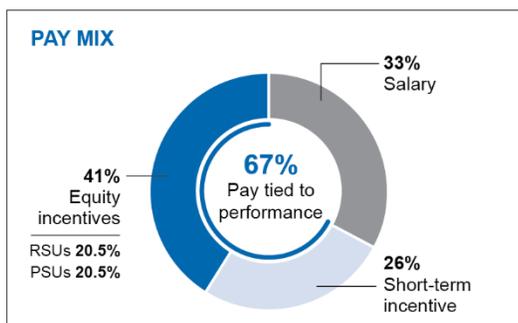
### 2022 Key results

- Oversaw the construction of the Slurry Preparation Plant scheduled for completion in Q4 2023
- Part of the project team that was successful in finalizing the Cobalt Swap and extending the Moa Swap payment agreements
- Approval of a 20-year extension to the Energas Joint Venture to 2043
- Led the project evaluation of the Leach and Acid Plants, and Corefco, which resulted in approval of the Leach Plant and deferral of the Corefco project and new acid plant construction
- Secured Energas Board approval to utilize the additional liquidity to drill two gas wells to increase gas production to Energas

### 2022 Compensation review

Elvin was successful in delivering on his goals and the compensation decisions considered his achievements in 2022. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

		2021 Actual	2022 Target	2022 Actual
Salary	Cash	\$380,000	\$380,000	\$380,000
Short-term incentive	Cash	\$295,260	\$228,000	\$302,100
Equity incentives	RSUs	\$242,500	\$242,500	\$242,500
	PSUs	\$242,500	\$242,500	\$242,500
<b>Total direct compensation</b>		<b>\$1,160,260</b>	<b>\$1,093,000</b>	<b>\$1,167,100</b>
Compared to target				+7%
Compared to 2021				+1%



### Short-term incentive (see page 58)

Elvin's 2022 short-term incentive award was approved and paid in February 2023. It paid out at 132.5% of his target, based on corporate, divisional and individual performance:

- Corporate financial score: 200 – because we exceeded the maximum performance for adjusted EBITDA and combined free cash flow (see page 59).
- Divisional score: 107 – Combined Oil & Gas and Power performance with performance of Metals Expansion (see page 60).
- Individual score: 130 – based on his individual achievements in 2022.

### Equity incentives (see page 63)

Elvin's 2022 equity incentive award was allocated 50% to RSUs and 50% to PSUs.

## WARD SELLERS

SVP, LEGAL

Ward Sellers is accountable for the leadership and management of the overall legal affairs of the corporation and the corporate secretarial function. In addition, he oversees Sherritt's anti-bribery and corruption program and contributes to our overall success through active participation in strategic planning and other key corporate processes.



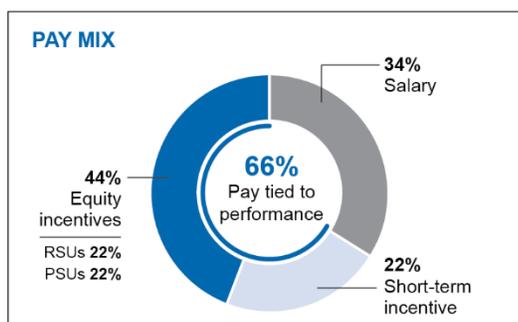
### 2022 Key results

- Integral role in the execution of key strategic initiatives, including:
  - the two long term debt transactions, resulting in the reduction of \$150 million (35%) in long term notes and \$13 million of annual interest expense
  - the Cobalt Swap transaction
  - the re-establishment of a shelf prospectus platform to facilitate capital markets access
- Ongoing support for key strategic expansion initiatives, including Moa and reserves expansion initiatives and transition to economic cut-off grade
- Continued proactive strategic management of Helms-Burton and embargo risks
- Implementation of independent Board evaluation process, and Board renewal support

### 2022 Compensation review

Ward was successful in delivering on his goals and the compensation decisions considered his achievements in 2022. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

		2021 Actual	2022 Target	2022 Actual
Salary	Cash	\$375,000	\$375,000	\$375,000
Short-term incentive	Cash	\$225,000	\$187,500	\$241,875
Equity incentives	RSUs	\$250,000	\$250,000	\$250,000
	PSUs	\$250,000	\$250,000	\$250,000
<b>Total direct compensation</b>		<b>\$1,100,000</b>	<b>\$1,062,500</b>	<b>\$1,116,875</b>
Compared to target				+5%
Compared to 2021				+2%



#### Short-term incentive (see page 58)

Ward's 2022 short-term incentive award was approved February 2023. It paid out at 129% of his target, based on corporate, operational and individual performance:

- Corporate financial score: 200 – because we exceeded the maximum performance for adjusted EBITDA and combined free cash flow (see page 59).
- Operational score: 106 – a blend of results from Metals, Oil & Gas and Power, Technologies and Metals Expansion (see page 60).
- Individual score: 120 – based on his individual achievements in 2022.

#### Equity incentives (see page 63)

Ward's 2022 equity incentive award was allocated 50% to RSUs and 50% to PSUs.

# SHARE PERFORMANCE AND EXECUTIVE COMPENSATION

## Understanding the impact of metal prices

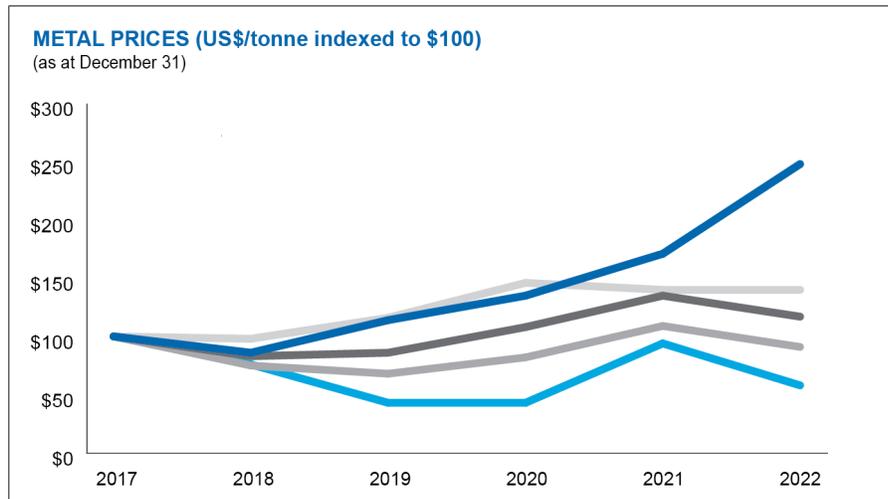
As one would expect, the price of a resource company’s shares are heavily influenced by the price of the metals the company produces. The graph below shows the annual year-end price of five base/precious metals over the past five years (in US\$/tonne) and Sherritt’s share price (in C\$) indexed to \$100 to provide a meaningful comparison.

Throughout the five-year period from January 1, 2018 to December 31, 2022, nickel prices have ranged from a low of US\$4.74/lb<sup>1</sup> in January 2019 to a high of approximately US\$17.00/lb in March 2022 (ignoring the unprecedented spike in early March 2022 when the price of nickel spiked to over US\$45/lb. Cobalt has ranged from a low of US\$12.10/lb in July 2019 to a high of US\$44.45/lb in April 2018.

Nickel prices experienced a significant recovery in 2022 following the re-start of economic activity following the initial COVID-19 disruptions, strong demand from EV markets and Russia supply concerns, tempered by geopolitical impacts, including the Russia-Ukraine war, a slower than expected recovery in China markets as a result of COVID-19, and global recession concerns. The average price for nickel in 2022 was US\$11.61/lb compared to US\$8.39/lb in 2021 (and US\$5.95/lb in 2018). The nickel price was US\$13.80/lb at December 31, 2022.

Despite a significant reduction in global market prices for cobalt in the last quarter of 2022, average cobalt price of US\$30.75/lb<sup>2</sup> compared to US\$24.34/lb in 2021 (and US\$37.35/lb in 2018). The cobalt price was US\$20.90/lb at December 31, 2022. Despite current price softness in the cobalt market, the expected increased demand related to EV battery requirements is expected to have a positive impact on cobalt prices.

In the years leading up to 2021, the volatility of nickel and cobalt prices and the ongoing funding requirements for the Ambatovy JV created liquidity challenges for Sherritt and significantly impacted the price of Sherritt’s shares. With the debt restructuring completed in 2020 and stronger balance sheet including significant debt repurchases and finalization of an agreement with Sherritt’s Cuban partners outstanding Cuban receivables in 2022, Sherritt’s share price has shown a more direct relationship with the price of nickel. Average Sherritt share and nickel prices 2020-2022 were: 2020: \$0.19/share, US\$6.25/lb; 2021: \$0.49/share, US\$8.39/lb; 2022: 0.53/share, US\$11.61/lb.



	2017	2018	2019	2020	2021	2022
Nickel	\$100	\$86	\$114	\$135	\$171	\$248
Copper	\$100	\$83	\$86	\$108	\$135	\$117
Zinc	\$100	\$75	\$68	\$82	\$109	\$91
Gold	\$100	\$98	\$116	\$146	\$140	\$140
Cobalt	\$100	\$76	\$43	\$43	\$94	\$58

1 All nickel prices based on ending settlement prices quoted on the LME.

2 Cobalt prices based on average daily prices on Fastmarkets MB (to 2021) and Argus Metals (2022).

## Share performance analysis

Over the past five years, Sherritt's share price, like many of its small-capitalization base metals peers, has fluctuated with the price of base metals, the impact of the COVID-19 pandemic and significant geopolitical events. For Sherritt and other producers of critical metals and minerals, share prices also experienced fluctuations based on investor sentiment regarding the electric energy transition, security and availability of supply, and metal demand drivers, including: political and manufacturer electrification targets and incentives, evolving battery chemistries and general market conditions. Inflationary pressures and increased interest rate hike expectations resulted in global economic recession concerns in 2022, which also had an impact of tempering the share price of small capitalization companies.

In particular, our share price has been affected by fluctuations in commodity prices, including key input commodity prices, over the past several years that have had a direct impact on our financial results and outlook. Through the five-year period from January 1, 2018 to December 31, 2022, nickel prices have ranged from a low of US\$4.74/lb<sup>1</sup> in January 2019 to a high of approximately US\$17.00/lb<sup>1</sup> in March 2022. This is exclusive of the unprecedented price spike in early March 2022, when the price of nickel increased to almost US\$46/lb, which is discussed below. Cobalt prices have ranged from a low of US\$12.10/lb<sup>2</sup> in July 2019 to a high of US\$44.45/lb in April 2018.

In the years leading up to 2021, the volatility of nickel and cobalt prices and the ongoing funding requirements for the Ambatovy JV required that Sherritt focus on preserving liquidity and building balance sheet strength. In the third quarter of 2020, without dilution to our shareholders, we successfully restructured and reduced our debt by approximately \$300 million, including extinguishing the cross-default risks of the Ambatovy partner agreements and exited the Ambatovy JV. The uncertainty of success of the debt restructuring ahead of completion of the transaction acted as a catalyst for considerable share price volatility in 2020 with Sherritt reaching a low of \$0.08 in March 2020. With the successful completion of the balance sheet initiative in August 2020, Sherritt's share price ended the year at \$0.42.

Starting early 2021, the increased focus on green metals, including nickel and cobalt, to service the burgeoning electric vehicle (EV) market, brought increased demand for battery metals as manufacturers looked to secure supply to meet their EV targets. With a new senior management team at Sherritt, a stronger balance sheet, and a significantly longer debt maturity profile than in the past, Sherritt share price was supported during 2021 with prices ranging from \$0.36 to \$0.70 and closed the year at \$0.40.

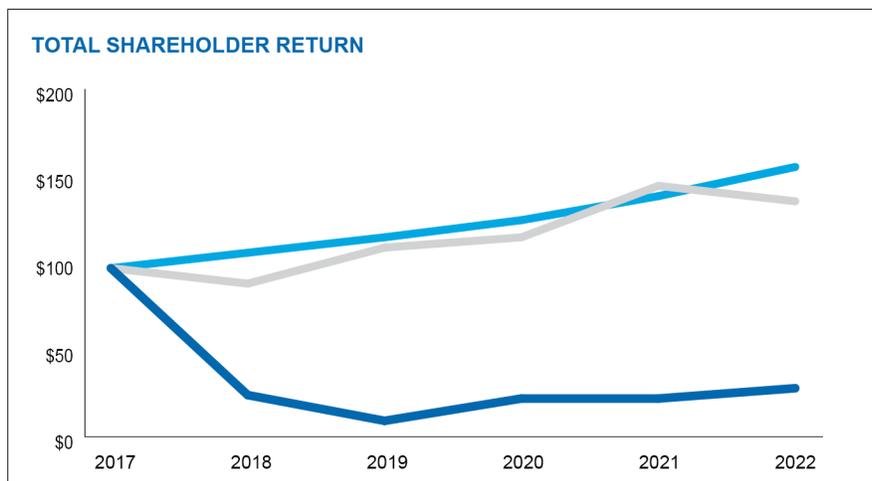
In 2022, management maintained its focus on balancing priorities of strengthening the balance sheet with expanding metal production. As such, we repurchased approximately \$150 million in principal of our secured second lien and junior notes at a discount. Additionally, we finalized an agreement with our Cuban partners to recover \$368 million of legacy Cuban receivables over five years beginning January 1, 2023.

As well in 2022, our Moa JV embarked on a low capital intensity expansion program at the mine to increase annual mixed sulphide precipitate (MSP) production by up to 6,500 tonnes of contained nickel and cobalt (100% basis) when completed in 2024. The expansion, which progressed through 2022 on time and on budget involves:

- Completion of a new slurry preparation plant at the mine that will reduce ore haulage distances, improve ore sorting, improve feed quality to the processing plant, and reduce carbon intensity from mining, and
- Improvements to the Moa processing plant and construction of additional acid storage to facilitate increased mixed sulphides production at Moa.

With the start of the Russia-Ukraine war in late February 2022 and the resulting geopolitical turmoil, including fears of a disruption in nickel supply, specifically from Russia, and the resulting unprecedented one-day spike in nickel price increase of more than 250% to almost US\$46/lb on March 8, Sherritt's share price reached a high of \$0.85. With the suspension of trading on the London Metal Exchange (LME), cancellation of all trades that day, the deferral of all settled contracts, and the resumption of normal trading, albeit at significantly lower LME volumes, the nickel price settled back by the end of the year to US\$13.80/lb. The impact of strong nickel prices on Sherritt's share prices was tempered by a significant increase in key input commodity prices and a movement away from equities in general as a result of uncertainty related to the war and recessionary concerns. This resulted in Sherritt's shares price ending the year at \$0.52.

Low nickel prices, ongoing funding requirements for Ambatovy, and balance sheet uncertainty through the end of 2019 resulted in significantly lower market returns for Sherritt's shares compared to the TSX Metals and Mining index and TSX Composite index. However, with the completion of the debt restructuring and exiting the Ambatovy JV in 2020, more favourable nickel prices and continued focus on strengthening the balance sheet, including debt repurchases and finalization of an agreement with Sherritt's Cuban partners to recover \$368 million total outstanding Cuban receivables in 2022, shareholder returns are more consistent with the index returns for 2020 through 2022.



	2017	2018	2019	2020	2021	2022
Sherritt	\$100	\$26	\$11	\$24	\$24	\$30
S&P/TSX Metals and Mining Index	\$100	\$89	\$119	\$149	\$142	\$145
S&P/TSX Composite Index	\$100	\$91	\$112	\$118	\$148	\$139

1 All nickel prices based on ending settlement prices quoted on the LME.

2 Cobalt prices based on average daily prices on Fastmarkets MB (to 2021) and Argus Metals (2022).

## Compensation details

### SUMMARY COMPENSATION TABLE

The table below shows the total compensation awarded to the named executives for the last three years ended December 31.

		Salary	Share-based awards	Option-based awards	Annual incentive	Pension value	All other compensation	Total compensation
<b>Leon Binedell</b> CEO	2022	\$597,500	\$1,210,000	n/a	\$842,475	n/a	\$171,232	\$2,821,207
	2021	\$335,417	\$670,833	n/a	\$437,720	n/a	\$155,867	\$1,559,837
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Yasmin Gabriel</b> CFO	2022	\$345,000	\$350,000	n/a	\$285,660	n/a	\$116,063	\$1,096,723
	2021	\$234,820	\$152,083	n/a	\$112,479	n/a	\$277,204	\$776,586
	2020	\$169,000	\$25,000	n/a	\$40,875	n/a	\$44,505	\$279,380
<b>Greg Honig</b> CCO	2022	\$325,000	\$325,000	n/a	\$248,625	n/a	\$111,559	\$1,010,184
	2021	\$128,125	\$325,000	n/a	\$93,404	n/a	\$66,303	\$612,832
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Elvin Saruk</b> SVP, OGP	2022	\$380,000	\$485,000	n/a	\$302,100	n/a	\$185,465	\$1,352,565
	2021	\$380,000	\$485,000	n/a	\$295,260	n/a	\$185,201	\$1,345,461
	2020	\$380,000	\$485,000	n/a	\$191,520	n/a	\$185,044	\$1,241,564
<b>Ward Sellers</b> SVP, Legal	2022	\$375,000	\$500,000	n/a	\$241,875	n/a	\$187,640	\$1,304,515
	2021	\$375,000	\$500,000	n/a	\$225,000	n/a	\$185,497	\$1,285,497
	2020	\$375,000	\$500,000	n/a	\$200,625	n/a	\$537,329	\$1,612,954

#### Share-based awards

The value of RSUs and PSUs awarded as equity incentives (see page 64) at grant date value. There is no discount applied for the risk associated with the PSUs. We calculated the number of units awarded by dividing the dollar amount of the award by \$0.60 (2022), \$0.64 (February 2021), \$0.54 (June 2021 for Leon Binedell upon appointment as CEO), \$0.42 (August 2021 for Yasmin Gabriel upon appointment as CFO), \$0.41 (August 2021 for Greg Honig upon appointment as CCO), and \$0.16 (2020), which represent the volume-weighted average trading price of our shares on the TSX for the five trading days immediately before each grant date (rounded up to the nearest whole unit).

#### Option-based awards

The granting of options was discontinued in 2019 and will be reintroduced in 2023. For options awarded prior to 2018 (see page 79), we calculate the number of options by dividing the grant date fair value of the award by the market price of our shares on the date of the grant multiplied by each year's Black Scholes value (rounded up to the nearest whole unit).

#### Annual incentive

The cash bonus awarded as an annual incentive (see page 59).

#### Pension value

Employer contributions to the executive supplementary pension plan. The plan was closed to contributions on January 1, 2018 and is being phased out (see page 81).

#### Leon Binedell

Mr. Binedell was appointed President and CEO effective June 1, 2021. His 2021 salary and short-term incentive award are prorated from his appointment date to December 31, 2021, and his 2021 equity was provided on appointment. In addition, Mr. Binedell has irrevocably and unconditionally forfeited his entitlement to 10% of his short-term incentive. The corporation has expressed its intention to use these funds to establish a CEO Scholarship Fund. The actual award paid to Mr. Binedell was \$758,227.

#### Yasmin Gabriel

Ms. Gabriel was appointed CFO effective August 5, 2021. Her 2021 salary and short-term incentive award reflect her tenure as CFO, as well as compensation earned and awarded for her time in her previous role as VP Finance. Upon appointment to CFO, Ms. Gabriel was granted additional share-based awards, which are included in the 2021 total share-based compensation value presented.

#### Greg Honig

Mr. Honig was appointed Chief Commercial Officer effective August 9, 2021. His 2021 salary and short-term incentive award are prorated from his appointment date to December 31, 2021.

**All other compensation**

All other benefits and compensation in 2022. These amounts are fully taxable and not grossed up for tax purposes.

	Leon Binedell	Yasmin Gabriel	Greg Honig	Elvin Saruk Ward Sellers	
Retirement benefits (see page 81)	<b>\$71,700</b>	<b>\$41,400</b>	<b>\$39,000</b>	<b>\$45,600</b>	<b>\$45,000</b>
Employee share ownership plan (see page 50)	<b>\$2,500</b>	<b>\$0</b>	<b>\$2,500</b>	<b>\$0</b>	<b>\$2,500</b>
Other benefits and perquisites (see page 57)	<b>\$97,032</b>	<b>\$74,663</b>	<b>\$70,059</b>	<b>\$116,115</b>	<b>\$116,702</b>
– Health benefits	\$12,856	\$11,297	\$10,975	\$5,935	\$12,214
– Perquisite allowance	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000
– Helm-Burton allowance	\$50,000	\$27,917	\$27,083	\$95,000	\$93,750
– Other (parking, executive medicals and other taxable benefits)	\$2,176	\$3,450	\$0	\$6,930	\$2,176
<b>Total</b>	<b>\$171,232</b>	<b>\$116,063</b>	<b>\$111,559</b>	<b>\$185,465</b>	<b>\$187,640</b>

**Helms Burton allowance**

Elvin Saruk and Ward Sellers are or have been listed under Title IV of the *Helms-Burton Act*, and advised by the United States Department of State that they, their spouse and minor children are inadmissible for entry into the United States. In recognition of the hardship, loss of opportunity and emotional distress suffered by the named executives and their families, the named executives receive a Helms-Burton allowance. As a result of Title III of the *Helms-Burton Act* the other named executives also undertook not to enter the United States and therefore also received a Helms-Burton allowance. These allowances are not considered compensation, but have been included in the table in the interest of providing full disclosure. Helms-Burton allowances are fully taxable and not grossed-up for tax purposes. Effective April 30<sup>th</sup>, 2022, Helms-Burton allowances for Title III were discontinued.

## EQUITY COMPENSATION

### Outstanding option-based and share-based awards

The table below shows all outstanding option-based awards and unvested share-based awards as of December 31, 2022. See page 63 for more information about equity incentives.

The value of unexercised in-the-money options is the difference between the option's exercise price and \$0.52 (the closing price of our shares on the TSX on December 31, 2022). None of the options were in-the-money on December 31, 2022, so no value is reported.

We calculated the value of RSUs and PSUs by multiplying our assumption for the number of units that would vest by \$0.52 (the closing price of our shares on the TSX on December 31, 2022). Vesting assumptions:

- RSUs granted in 2020, 2021 and 2022: assumes 100% of the units vest
- PSUs granted in 2020, 2021 and 2022: assumes a performance factor of 100% and all of the units vest.

		Option-based awards				Share-based awards		
		Number of securities underlying unexercised options	Options exercise price	Option expiration date	Value of unexercised in-the-money options	Type of award	Number of units that have not vested	Market or payout value of unvested unit awards not paid out or distributed
Leon Binedell	2021	-	-	-	-	RSUs	621,142	\$322,994
		-	-	-	-	PSUs	621,142	\$322,994
	2022	-	-	-	-	RSUs	1,008,334	\$524,334
		-	-	-	-	PSUs	1,008,334	\$524,334
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>3,258,952</b>	<b>\$1,694,656</b>
Yasmin Gabriel	2020	-	-	-	-	RSUs	78,125	\$40,625
		93,750	\$1.20	February 28, 2027	\$0	PSUs	78,125	\$40,625
	2021	93,750	\$1.20	February 28, 2027	\$0	RSUs	170,521	\$88,671
		-	-	-	-	PSUs	170,521	\$88,671
	2022	93,023	\$1.25	February 22, 2028	\$0	RSUs	291,667	\$151,667
		-	-	-	-	PSUs	291,667	\$151,667
<b>Total</b>	<b>186,773</b>			<b>\$0</b>		<b>1,080,626</b>	<b>\$561,926</b>	
Gregory Honig	2021	93,750	\$1.20	February 28, 2027	\$0	RSUs	396,342	\$206,098
		-	-	-	-	PSUs	396,342	\$206,098
	2022	93,023	\$1.25	February 22, 2028	\$0	RSUs	270,834	\$140,834
		-	-	-	-	PSUs	270,834	\$140,834
<b>Total</b>	<b>940,958</b>			<b>\$0</b>		<b>1,334,352</b>	<b>\$693,863</b>	
Elvin Saruk	2014	87,100	\$3.00	March 3, 2024	\$0	-	-	-
	2015	135,000	\$2.11	March 13, 2025	\$0	-	-	-
	2016	314,000	\$0.68	February 23, 2026	\$0	-	-	-
	2017	151,563	\$1.20	February 28, 2027	\$0	-	-	-
	2018	112,791	\$1.25	February 22, 2028	\$0	-	-	-
	2020	-	-	-	-	RSUs	1,515,625	\$788,125
		-	-	-	-	PSUs	1,515,625	\$788,125
	2021	-	-	-	-	RSUs	373,077	\$194,000
		-	-	-	-	PSUs	373,077	\$194,000
	2022	-	-	-	-	RSUs	404,167	\$210,167
		-	-	-	-	PSUs	404,167	\$210,167
<b>Total</b>	<b>\$800,454</b>			<b>\$0</b>		<b>4,585,738</b>	<b>\$2,384,584</b>	

		Option-based awards				Share-based awards		
		Number of securities underlying unexercised options	Options exercise price	Option expiration date	Value of unexercised in-the-money options	Type of award	Number of units that have not vested	Market or payout value of unvested unit awards not paid out or distributed
Ward Sellers	2014	30,100	\$3.70	January 6, 2024	\$0	-	-	-
	2014	87,100	\$3.00	March 3, 2024	\$0	-	-	-
	2015	150,000	\$2.11	March 13, 2025	\$0	-	-	-
	2016	348,800	\$0.68	February 23, 2026	\$0	-	-	-
	2017	156,250	\$1.20	February 28, 2027	\$0	-	-	-
	2018	116,279	\$1.25	February 22, 2028	\$0	-	-	-
	2020	-	-	-	-	RSUs	1,562,500	\$812,500
		-	-	-	-	PSUs	1,562,500	\$812,500
	2021	-	-	-	-	RSUs	384,616	\$200,000
		-	-	-	-	PSUs	384,616	\$200,000
2022	-	-	-	-	RSUs	416,667	\$216,667	
	-	-	-	-	PSUs	416,667	\$216,667	
<b>Total</b>		<b>\$888,529</b>			<b>\$0</b>	<b>4,727,566</b>	<b>\$2,458,334</b>	

### Value vested or earned during the year

The table below shows:

- **Option-based awards:** No stock options vested in 2022, as the last grant of options was in 2018, with all vested by 2021. See page 79 for information about the stock option plan.
- **Share-based awards:** The payout value of the 2019 mid-term incentives that vested in 2022 – see page 65 for information about how we calculated the payout value.
- **Non-equity incentive plan compensation:** The value of the 2022 short-term incentive – see page 59 for details.

	Option-based awards Value vested during the year	Share-based awards Value vested during the year	Non-equity incentive plan compensation Value earned during the year
Leon Binedell	\$0	\$0	\$842,475
Yasmin Gabriel	\$0	\$23,029	\$285,660
Greg Honig	\$0	\$0	\$248,625
Elvin Saruk	\$0	\$446,744	\$302,100
Ward Sellers	\$0	\$460,562	\$241,875

### Securities authorized for issuance under equity compensation plans

The table below shows the total number of securities to be issued and available future issuance under our stock option plan (the *plan*) as at December 31, 2021. We are authorized to issue up to 17,500,000 shares (4.4% of the issued and outstanding shares as at December 31, 2021) under the plan. The number of shares available for future issuance includes shares that have not previously been reserved for an option grant and shares underlying unexercised options that have expired or were terminated.

	Securities to be issued upon exercise of outstanding options		Weighted-average exercise price of outstanding options	Securities remaining available for future issuance		Total securities issuable under option plan	
	Number	% of shares outstanding		Number	% of shares outstanding	Number	% of shares outstanding
Stock option plan approved by securityholders	2,701,741	0.68%	\$1.40	8,193,728	2.06%	10,895,469	2.74%

## Stock option plan

The plan was established in 1995, after the company was formed but before shares were distributed to the public. It was amended in 2005, 2007, 2010 and 2014. Under the plan, stock options can be issued to employees.

### Burn rates as of December 31

Calculated as the total number of options issued each year divided by the weighted average number of shares outstanding at the end of the year:

	2020	2021	2022
Total number of options issued	–	–	–
Weighted average number of shares outstanding on December 31	397,284,652	397,288,680	397,288,680
<b>Burn rate</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

### Limits

- Total number of shares that can be issued to one person (together with all other security based compensation arrangements): no more than 5% of our issued and outstanding securities.
- Total number of shares that can be issued to insiders within a one-year period, or that can be issuable to insiders at any time under the plan (together with all other security based compensation arrangements): 10% of our issued and outstanding securities.
- The exercise price of an option cannot be lower than the market price of the shares at the date of grant.
- Exercising options is subject to our insider trading policy (see page 49).

### Making changes to the plan

The Board or the Human Resources Committee can change the terms of an option in compliance with the shareholder approved Stock Option Plan. The Board can make changes to the plan with required regulatory and shareholder approval, although a participant's previously granted options cannot be negatively affected without the participant's consent.

Changes that do not require shareholder approval include (among others):

- administrative changes
- changes to the vesting provisions of the stock option plan or any option
- changes to the stock option plan to comply with tax laws
- changes to termination provisions not providing an extension beyond the original expiry date, or a date beyond a permitted automatic extension in the case of an option expiring during a blackout period
- adding, changing or removing a cashless exercise feature, payable in cash or shares and providing for a full deduction of underlying shares from the option reserve.

Changes to the plan that require shareholder approval:

- changing the number of shares issuable under the plan
- reducing the exercise price or purchase price of an option
- changing termination provisions to provide an extension beyond the original expiry date (or the permitted automatic extension for options expiring in a blackout period)
- changing eligibility requirements that could increase insider participation
- allowing options to be transferable or assignable other than for normal estate settlement purposes.

No changes were made to the plan in 2022. Grants under the stock option plan have been reintroduced in 2023.

## Stock option plan details

The following table provides the details of the Stock Option Plan, which authorizes the granting of stock options with or without tandem stock appreciation rights (TSARs).

	Stock options	Stock option with TSARs
Securities	A stock option (an "Option") entitles a holder to purchase, in the future, a Share at a price (the "exercise price") set at the time of grant.	An Option granted with a TSAR entitles the holder to a cash payment equal to the difference between the exercise price and the purchase price.
Eligibility	Senior Vice President level and above are eligible to participate.	
Awards	The number of Options granted to participants is calculated by dividing the compensation value of the award by the product of the market price on the date of grant and the Black Scholes value. The calculated number of Options and TSARs is rounded to the nearest 100.	
Term	The term cannot exceed 10 years. The term of options granted up to 2022 is 10 years. The term of options granted in 2023 is seven years (except where the Option with or without TSAR expires during a restricted trading period, in which case, the expiry date is extended to ten days following the end of the restricted trading period).	
Vesting	One-third vest and become exercisable on each of the first three anniversaries of the grant date.	
Exercise	The exercise price is determined using the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the grant date. Upon exercise, a Share is issued from treasury.	The value of the TSAR is the difference between the exercise price and the volume-weighted average trading price of a Share on the TSX for the five trading days immediately preceding the exercise date. Upon exercise, the related Option is cancelled and the Share underlying the cancelled Option is no longer available for issuance.
Cessation of employment	<p><b>Death or Disability.</b> Options vest as at the date of death or disability and may be exercised within the earlier of 180 days of such date and the original expiry date.</p> <p><b>Resignation and Termination without Cause.</b> Vested Options and those that vest within 90 days of the termination date may be exercised. Unvested Options and vested Options that have not been exercised are cancelled 90 days from the date of termination.</p> <p><b>Retirement.</b> Options continue to vest as of the date of retirement and may be exercised within the earlier of 5 years from the date of retirement and the original expiry date.</p> <p><b>Termination with Cause.</b> Vested and unvested Options are cancelled on the date of termination.</p>	
Change of control	<p>In the case of a change of control event where a survivor (which includes the Corporation), successor or acquiring entity (a "Successor") exists, such Successor shall retain or assume the outstanding options or substitute similar awards. If, within 24 months following the termination of the change of control event, an optionee's employment is terminated for a reason other than for just cause or resignation (other than resignation which constitutes constructive dismissal), all options held by the optionee will vest immediately upon the termination.</p> <p>If the Successor does not retain, assume or substitute all of the outstanding options, such options will be deemed to vest immediately prior to the change of control event. In the case where only part of the Corporation is subject to the change of control event, the Change of Control provisions of the Stock Option Plan will only apply to optionees employed in the affected part of the business.</p>	
Recoupment	Options granted can be recouped if there is a restatement of financials which resulted from executive misconduct which resulted in an over payment of incentive compensation.	
Assignability	Options are not assignable.	
Limitations	<p>The Stock Option Plan places certain limitations on grants and terms of Options with or without TSARs. These include:</p> <ul style="list-style-type: none"> <li>• The exercise price must not be lower than the market price of the Shares at the date of grant;</li> <li>• The total number of Shares issued or issuable to any one person under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, shall not exceed 5% of the Corporation's issued and outstanding securities;</li> <li>• The total number of Shares (a) issued to insiders of the Corporation within a one year period; and (b) issuable to insiders of the Corporation at any time under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, shall not exceed 10% of the Corporation's issued and outstanding securities;</li> <li>• The exercise of Options with or without TSARs is subject to the Corporation's Insider Trading Policy.</li> </ul>	
Amendments and variations	<p>The Board or the Human Resources Committee may amend the terms of an Option in compliance with the Stock Option Plan.</p> <p>The Board may amend the Stock Option Plan subject to required regulatory or Shareholder approvals; provided a participant's previously granted options cannot be negatively affected without the participant's consent.(1)(2)</p>	

### Notes

1. The Human Resources Committee may make certain types of amendments to the Stock Option Plan without seeking Shareholder approval, including amongst other things; (i) amendments of an administrative nature; (ii) amendments to the vesting provisions of the Stock Option Plan or any Option; (iii) amendments to the Stock Option Plan to comply with tax laws; (iv) amendments to termination provisions not providing an extension beyond the original expiry date, or a date

beyond a permitted automatic extension in the case of an Option expiring during a blackout period; and (v) amendments providing for or modifying or deleting a cashless exercise feature, payable in cash or Shares and providing for a full deduction of underlying Shares from the Stock Option reserve.

2. Shareholder approval is required for the following types of amendments to the Stock Option Plan, including amongst other things: (i) amendments to the number of Shares issuable under the Stock Option Plan; (ii) amendments reducing the exercise price or purchase price of an Option; (iii) amendments to termination provisions providing an extension beyond the original expiry date, or a date beyond a permitted automatic extension in the case of an Option expiring during a blackout period; (iv) amendments to the eligibility requirements which could increase insider participation; and (v) amendments to permit options to be transferable or assignable other than for normal estate settlement purposes.

## RETIREMENT SAVINGS

Sherritt offers a Group retirement savings plan and an executive supplementary pension plan that is being phased out.

### Group retirement savings plan (Group RSP)

Eligibility	All Canadian-based employees, including the named executives
Description	Contributions are made on behalf of the employee to the employee's individual account under a Group RSP
Contributions	An amount equal to a fixed percentage of base salary is invested, as directed by the employee, into investment funds that they select from an approved list established by Sherritt's Management Retirement Committee  We currently contribute 12% of each named executive's base salary to the group RSP. These amounts are reported under <i>All other</i> compensation in the summary compensation table (see page 75)
Withdrawal	Funds can be withdrawn at any time

Before 2018, senior executives who were subject to Canadian tax rules, and whose Group RSP contributions exceeded the limits prescribed by the *Income Tax Act* (Canada), were also able to participate in a supplementary pension plan. The plan was closed to contributions on January 1, 2018, and is being phased out.

The table below shows the value of the supplementary plans for the two executives who qualified to participate in the plan. No contributions were made to the named executives' supplementary plan accounts in 2022. The accumulated value of their accounts (less withholdings) will be paid out to them when their employment with Sherritt ends.

	Accumulated value at start of the year	Accumulated value at the end of the year
Elvin Saruk	\$794,255	\$754,983
Ward Sellers	\$122,543	\$112,300

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Employment agreements

The table below shows the termination arrangements in the employment agreements we have with the named executives.

	Binedell, Saruk & Sellers	Gabriel, Honig <sup>1</sup>
Salary	24 months	18 months
Short-term incentive	<ul style="list-style-type: none"> <li>• 2x the annual short-term incentive target value, plus</li> <li>• a pro-rata annual incentive for the year of termination</li> </ul>	<ul style="list-style-type: none"> <li>• 1.5 x the annual short-term incentive target value, plus</li> <li>• a pro-rata annual incentive for the year of termination</li> </ul>
Equity incentives	According to the terms of the plans for awards previously received	According to the terms of the plans for awards previously received
Benefits and perquisites	24 months	18 months

<sup>1</sup> Aligns with policy adopted for all new senior executives hired or appointed after August 1, 2021

### Termination arrangements

The table below describes how PSUs, RSUs and options are treated under different termination scenarios.

	Death or disability	Retirement	Resignation	Termination with cause	Termination without cause
RSUs and PSUs	Vest immediately The PSU performance factor will be assumed to be at target (100%)	Vest following the normal vesting schedule	Forfeited	Forfeited	Vest following the normal vesting schedule
Options	Vest on the date of death or disability and may be exercised within 180 days or the original expiry date, whichever is earlier	Continue to vest and may be exercised within five years of the retirement date or the original expiry date, whichever is earlier	Vested options and options that vest within 90 days of the date of resignation may be exercised prior to the original expiry date  Unvested options and vested options that have not been exercised after 90 days are cancelled	Vested and unvested options are cancelled	Vested options and options that vest within 90 days of the termination date may be exercised prior to the original expiry date  Unvested options and vested options that have not been exercised after 90 days are cancelled

### Change of control

Change of control provisions are included in the employment agreements of the named executives. Under the terms of these agreements, if an executive's employment is terminated without cause or if they resign for good reason (as defined in the respective agreements) within 24 months of a change of control or before a change of control at the request of an acquirer, the executive is entitled to certain benefits.

Change of control is defined as:

- 1) the acquisition (directly or indirectly) by any person or a combination of persons acting jointly or in concert (other than an entity or entities that were, immediately prior to such acquisition, affiliates of the company) of more than 50% of the voting securities of the company;
- 2) fifty percent or more of the issued and outstanding voting securities of the Corporation become subject to a voting trust other than a voting trust controlled by any entity or entities that were, immediately prior to such disposition, affiliates of the company;
- 3) a majority of the directors of the company are removed from office or fail to be re-elected at any annual or special meeting of Shareholders, or a majority of the directors resign from office over a period of 60 days or less, and the vacancies created thereby are not filled by appointments made by the remaining members of the Board;
- 4) the disposition of all or substantially all of the assets of the company other than to an entity or entities that were, immediately prior to such disposition, affiliates of the company;
- 5) where applicable, the disposition of all or substantially all of the assets of a division of the company in which the executive is employed other than to an entity or entities that were, immediately prior to such disposition, affiliates of the company;

- 6) any resolution is passed or any action or proceeding is taken with respect to the liquidation, dissolution or winding-up of the company;
- 7) the company amalgamates with one or more entities other than any entity or entities that were, immediately prior to such amalgamation, affiliates of the company, if the result of such amalgamation is that persons who were formerly shareholders of the company immediately prior to such amalgamation hold less than a majority of the voting securities of the amalgamated entity;
- 8) the company enters into any transaction or arrangement which would have the same or similar effect as any of the transactions referred to in the foregoing paragraphs; or
- 9) any person (other than the executive or any of his associates) makes a bona fide take-over bid for the shares of the company that, if successful, would result in a change of control of the company as defined in paragraph 1 above.

The treatment of share-based compensation awards upon a change of control is governed by:

- the terms of our compensation plans for a change of control without a termination, and
- and the terms of the respective employment agreements for each of the other named executives, for change of control with a termination.

The table below describes what the named executives are entitled to if there is a change of control with and without termination.

	Change of control without termination	Double trigger change of control: change of control <i>and</i> termination without cause or resignation with good reason within 24 months	
Severance	None	Lump sum payment equal to the sum of: <ul style="list-style-type: none"> <li>• 1.5x (CFO, CCO), 2x (other named executives) base salary at date of termination</li> <li>• 1.5x (CFO, CCO), 2x (other named executives) annual incentive at target performance</li> <li>• 18 months (CFO, CCO), 24 months (other named executives) of retirement savings contributions</li> <li>• 18 months (CFO, CCO), 24 months (other named executives) of perquisite allowance</li> <li>• 18 months (CFO, CCO), 24 months (other named executives) of benefit premiums.</li> </ul>	
Helms-Burton allowance	Continues	Continues until the executive is removed from the Title IV list. Named executives are expected to take necessary action to be removed from the Title IV list, and will be provided with reasonable assistance as necessary.  Subject to quarterly certification that individual has not traveled to the US, payments continue for 2 years or for as long as the individual is a defendant in a lawsuit filed under Title III.	
RSUs, PSUs and options		<i>If Sherritt or the surviving or acquiring entity retains or assumes all of the outstanding RSUs, PSUs or options, or substitutes similar awards</i>	<i>If Sherritt or the surviving or acquiring entity does not retain, assume or substitute all of the outstanding RSUs, PSUs or options</i>
• RSUs and PSUs	Continue to vest following the normal vesting schedule	Outstanding RSUs and PSUs vest on termination (at target performance) if the units are not assumed or if employment is terminated without cause within 24 months of the change of control.	Outstanding RSUs and PSUs vest immediately before the change of control (at target performance).  If only part of Sherritt is subject to the change of control, these provisions will apply only to executives employed in the affected part of the business.
• Options	Options granted after 2014 continue to vest and become exercisable according to the normal schedule  Options granted in 2014 and earlier vest immediately	Outstanding options vest immediately and become exercisable in the 12 months following the termination date (subject to their original expiry date) if employment is terminated without cause within 24 months of the change of control.	Outstanding options vest immediately the change of control.  If only part of Sherritt is subject to the change of control, these provisions will apply only to executives employed in the affected part of the business.

## Incremental payments

The incremental amounts payable to each named executive under various termination scenarios are set out in the table below. The estimated amounts in the table below include the amounts described in the table above, as well as other amounts payable based on the terms of our incentive plans.

We made the following assumptions to calculate the incremental benefit for each named executive:

- termination date of December 31, 2022
- closing share price as at December 31, 2022 of \$0.52
- for retirement, termination without cause and change of control with termination, without cause or resignation with good reason, three months of Helms-Burton allowance
- the incremental amounts for named executive officers for a termination without cause are based on the terms of their employment agreements.

	Leon Binedell	Yasmin Gabriel	Greg Honig	Elvin Saruk	Ward Sellers
Resignation	\$0	\$0	\$0	\$0	\$0
Retirement	\$0	\$0	\$0	\$23,750	\$23,438
Termination with cause	\$0	\$0	\$0	\$0	\$0
Termination without cause	\$2,678,112	\$992,045	\$890,950	\$1,431,820	\$1,351,865
Change of control without termination	\$0	\$0	\$0	\$0	\$0
Double trigger: change of control and termination without cause or resignation with good reason within 24 months of the change of control	\$4,372,767	\$1,553,971	\$1,584,814	\$3,816,403	\$3,810,199

## OTHER INFORMATION

### Loans to directors and executive officers

None of our current or former directors, executive officers have had any loans outstanding to Sherritt or any of our subsidiaries at any time since the beginning of 2022 other than for routine indebtedness.

### Interest of informed persons in material transactions

We are not aware of an informed person, proposed director, or any of their associates or affiliates, having a material interest, direct or indirect, in any transaction since the beginning of 2022 or in any proposed transaction which has materially affected or would materially affect Sherritt or our subsidiaries.

### Non-GAAP and financial measures

This management information circular includes references to the following non-GAAP financial measures: combined revenue, adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA), unit operating cost/net direct cash cost (NDCC), average-realized price and combined free cash flow.

Management uses these measures to monitor the financial performance of the corporation and its operating divisions and believes these measures enable investors and analysts to compare the corporation's financial performance with its competitors and/or evaluate the results of its underlying business. These measures are intended to provide additional information, not to replace International Financial Reporting Standards (IFRS) measures, and do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies.

These measures are incorporated by reference to Sherritt's Management Discussion and Analysis (MD&A) for the three months and year ended December 31, 2022, dated February 8, 2022, which are included in Sherritt's [2022 Financial Report](#) which is available on the Sherritt's [website](#) and [SEDAR](#).

The measures referenced in this management information circular and their reconciliation to the most directly comparable IFRS measures are in the *Non-GAAP and other financial measures* section of the MD&A on the following pages:

- combined revenue: page 58
- adjusted EBITDA: page 59
- average realized price: page 61
- unit operating cost/net direct cash cost (NDCC): page 63
- combined free cash flow: page 69.

### For more information

Financial information for the year ended December 31, 2022 is provided in our 2022 Audited Consolidated Financial Statements and MD&A. Please contact us at if you would like to be added to the list to receive copies in the future. Write to the Corporate Secretary, Sherritt International Corporation, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 4220, Toronto, ON M5H 4E3.

Copies of our 2022 Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference, our most recently filed comparative annual financial statements, together with the auditor's report, and our interim financial statements that have been filed for any period after the end of our most recently completed financial year, and this circular are available free of charge, upon request, from the Corporate Secretary. Copies are also available on our website ([www.sherritt.com](http://www.sherritt.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

# APPENDIX A

## SHERRITT INTERNATIONAL CORPORATION

### MANDATE OF THE BOARD OF DIRECTORS

#### 1. GENERAL

The Board of Directors (the “Board”) is responsible for overseeing the management of the business and affairs of Sherritt International Corporation (the “Corporation”) according to lawful and ethical standards and in accordance with the Corporation’s viability as a going concern.

The Board has the power to delegate its authority and duties to committees of the Board as it determines appropriate, as permitted by applicable law. Board committees are accountable to the Board, which at all times retains its oversight function and ultimate responsibility for all delegated responsibilities.

#### 2. BOARD DUTIES AND RESPONSIBILITIES

##### Directors and Senior Management

- Appoint the Chair, the Lead Director (in cases where the Chair is not independent), the President and CEO and other senior officers and, as permitted by applicable law, delegate to senior management responsibility for the Corporation’s day-to-day operations.
- With the assistance of the Nominating and Corporate Governance Committee, evaluate the performance of the Chair against the position description developed by the Board.
- With the assistance of the Human Resources Committee, evaluate the performance of the President and CEO against the position description developed by the Board. In cases where the role of Chair and President and CEO is combined, the Chair shall be excluded from this evaluation.
- With the assistance of the Nominating and Corporate Governance Committee, ensure that management maintains a process that adequately provides for succession planning of senior management.

##### Ethical Leadership

- Foster an ethical corporate environment and ensure that the President and CEO and other senior officers manage the business and affairs of the Corporation in an ethical and legal manner and exhibit ethical leadership throughout the Corporation.

##### Strategic Direction and Risk Assessment

- With the assistance of the applicable Board committee, assess and approve management’s strategic plan and review and approve annual business plans developed and proposed by management. The Board will:
  - provide advice and input regarding strategic opportunities, issues and circumstances which could threaten the Corporation’s viability as a going concern;
  - approve business and operational policies within which management will operate in relation to capital expenditures, acquisitions and dispositions, disclosure and communications, finance and investment, risk management and human resources;
  - set annual corporate and management performance targets consistent with the Corporation’s strategic plan;
  - review and discuss with management the process used by management to assess and manage risk, including the identification by management of the principal risks of the Corporation’s business and the implementation by management of appropriate systems to deal with such risks; and
  - confirm that processes are in place to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.

### **Financial Reporting and Management**

- The Board will review and approve annual operating and capital budgets.
- With the assistance of the Audit Committee, the Board will:
  - review and oversee the integrity of the Corporation with respect to its compliance with applicable audit, accounting and financial reporting requirements;
  - oversee the integrity of the Corporation’s disclosure controls and procedures and internal controls over financial reporting, and management information systems;
  - review operating and financial performance results relative to established strategies, plans, budgets and objectives; and
  - approve the Corporation’s annual financial statements and related management’s discussion and analysis and earnings press releases.

### **Disclosure, Communications and Insider Trading**

- With the assistance of the Nominating and Corporate Governance Committee, satisfy itself that appropriate policies and procedures are in place regarding public disclosure, communications and restricted trading by insiders.

### **Corporate Governance**

- With the assistance of the Nominating and Corporate Governance Committee, the Board will:
  - ensure that there exists an appropriate system of corporate governance, including practices to facilitate the Board’s independence;
  - ensure that the necessary Board committees are in place and approve: (i) any changes to their respective mandates; (ii) the mandate of any new committee; and (iii) the authority delegated to each committee;
  - ensure that there exists appropriate processes for the annual evaluation of Board and committee effectiveness and the contributions of individual directors; and
  - approve the nomination of directors.

### **Environment, Social & Governance (ESG)**

- Oversee and monitor the Company’s environmental, social and governance (“**ESG**”) and corporate social responsibility initiatives.
- Oversee the Corporation’s general strategy and direction with respect to ESG Matters, including the identification, assessment and prioritization of material and strategically significant ESG Matters.

### **Independence**

In cases where the Chair is not independent, a Lead Director shall be appointed annually from among the independent directors by a majority of the independent directors and shall be recommended by the Nominating and Corporate Governance Committee. The Lead Director may also be removed by a majority of independent directors.

The principal role of the Lead Director is to facilitate the functioning of the Board independent of management and the Chair and serve as an independent leadership contact for the directors and senior executives. The Lead Director shall consult with the Chair and approve the agendas, board materials and schedules for board meetings, preside over in camera sessions of independent directors, call, if necessary, the holding of special meetings of the Board or independent directors and oversee the annual Board and individual director evaluation process (including providing the Chair with an annual performance evaluation). The Lead Director shall also be available for consultation and direct communication with shareholders and other key stakeholders, from time to time.

### **Compensation of Senior Officers and Directors**

With the assistance of the Human Resources Committee, the Board will:

- approve the compensation of the President and CEO and senior management reporting directly to the President and CEO, as well as compensation policies for the President and CEO and other senior officers;
- approve the compensation of directors, including the Chair; and
- approve any equity-based compensation plans for eligible directors, officers and other employees of the Corporation.

### **Environment, Health, Safety and Sustainability**

- With the assistance of the Reserves, Operations and Capital Committee, the Board will:
  - monitor the scope of environment, health and safety, security and sustainability risks to the Corporation's operations and future growth and ensure the adequacy and effectiveness of the Corporation's management systems and controls to mitigate these risks and attendant liabilities;
  - ensure compliance with legal and regulatory requirements and any voluntary commitments the Corporation has made related to environment, health and safety, security and sustainability with a focus on continuous improvement and ensuring consistent practice across the Corporation and its divisions;

### **3. DIRECTOR DUTIES AND RESPONSIBILITIES**

- Each director must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders by exercising the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill this responsibility, each director is expected to:
  - participate with management in assessing strategic and business plans;
  - develop and maintain a thorough understanding of the Corporation's operational and financial objectives, financial position and performance and the performance of the Corporation relative to its principal competitors;
  - participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
  - disclose any personal interests that conflict with, or may appear to conflict with, the interests of the Corporation; and
  - engage in continuing education programs for directors, as appropriate.

### **4. BOARD COMPOSITION**

- With the assistance of the Nominating and Corporate Governance Committee, determine the size and composition of the Board, Board member qualifications and Board member independence to ensure that a majority of directors qualify as independent directors as determined under applicable Canadian securities laws.

### **5. CHAIR OF THE BOARD**

In cases where the Chair is an independent director, the Chair is responsible for ensuring that the Board operates independently of management and that directors have an independent leadership contact.

#### **Specific Roles and Responsibilities**

- The Chair will:
  - chair meetings of the directors and assume such other responsibilities which the directors as a whole may designate from time to time;
  - ensure that directors have adequate opportunities to meet without management present;
  - communicate to senior management as appropriate the results of private discussions among directors;
  - monitor compliance with the Corporation's governance policies; and
  - meet annually with each director to obtain insight as to areas where the Board and its committees could be operating more effectively.

In cases where the Chair is not an independent director, the Lead Director will chair all in-camera meetings of the independent directors and ensure that such directors have adequate opportunities to meet without management, as well as informing the Chair of the results of private discussion among the independent directors.

Please refer to the Corporation's document entitled "Chair's Terms of Reference", attached as Appendix "B" for additional responsibilities of the Chair.

## **6. BOARD MEETINGS**

- Board meetings are scheduled in advance and are held not less than quarterly.
- In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of the Corporation.
- An in-camera session will be held at each regularly scheduled Board meeting.
- The Board may also take action from time to time by unanimous written consent.
- A Board meeting may be called by the Chair, the Lead Director (if applicable) or any director.

## APPENDIX B

### CHAIR'S TERMS OF REFERENCE

The principal role of the Chair of the Board of Directors ("Board") of Sherritt International Corporation (the "Corporation") is to provide leadership to the Board. The Chair is responsible for effectively managing the affairs of the Board and ensuring that the Board is properly organized and that it functions efficiently and independent of management. The Chair also advises the President and Chief Executive Officer in all matters concerning the interests of the Corporation, the Board and the relationships between management and the Board.

More specifically, the Chair shall:

#### **A. Strategy**

1. Provide leadership to enable the Board to act effectively in carrying out its duties and responsibilities as described in the Mandate of the Board and as otherwise may be appropriate.
2. Work with the Board, the President and Chief Executive Officer and other management to monitor progress on the Corporation's business plans, annual budgets, policy implementation and succession planning.
3. Assist the President and Chief Executive Officer in presenting the corporate vision and strategies to the Board, large shareholders, partners and the outside world.

#### **B. Advisor to President and Chief Executive Officer**

4.
  - a. Provide advice, counsel and mentorship to the incumbent President and Chief Executive Officer; and
  - b. In consultation with the President and Chief Executive Officer, ensure that there is an effective relationship between management personnel and the members of the Board.

#### **C. Board Structure and Management**

5. Preside over Board meetings and annual and special meetings of shareholders.
6. Provide advice, counsel and mentorship to fellow members of the Board.
7. Execute the responsibilities of a company director according to the lawful and ethical standards and in accordance with the Corporation's policies.
8. Take a leading role in determining the composition of the Board and its committees to achieve maximum effectiveness.
9. In consultation with the President and Chief Executive Officer, the Corporate Secretary and the chairs of the Board committees, as appropriate, determine the frequency, dates and locations of meetings of the Board, of Board committees and of the shareholders.
10. In consultation with the President and Chief Executive Officer, Corporate Secretary, review the annual work plan and the meeting agendas to ensure all required business is brought before the Board to enable it to efficiently carry out its duties and responsibilities.
11. Ensure the proper flow of information to the Board and review, with the President and Chief Executive Officer, Corporate Secretary and the Lead Director, the adequacy and timing of materials in support of management personnel's proposals.

#### **D. Compensation Matters and Succession Planning**

In conjunction with the Human Resources Committee:

12. Recommend compensation awards for President and Chief Executive Officer and be available to advise the Board on general compensation matters.
13. Advise the Board on performance of the President and Chief Executive Officer and succession planning of the President and Chief Executive Officer.





### Questions? Need help voting?

Please contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors

North America toll-free phone: 1-800-749-9197

E-mail: [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com)

Fax: (416) 867-2271

Toll-free fax: 1-866-545-5580

Outside North America, banks and brokers call collect: (416) 867-2272



SCAN ME