

2024 Management information circular

Notice of 2024 annual meeting of shareholders

Sherritt International Corporation
March 28, 2024



sherritt



NOTICE OF OUR 2024 ANNUAL MEETING OF SHAREHOLDERS

Please join us at our 2024 annual meeting

Where

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

When

Thursday, May 9, 2024
11:00 a.m. (Eastern Time)

Business of the meeting

1. Receiving our 2023 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 28, 2024 (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. Sellers", followed by a horizontal line and a period.

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

Toronto, Ontario
March 28, 2024

Questions about voting?

Contact our strategic advisor,
Kingsdale Advisors:

By telephone

- 1-866-229-8263 (toll-free in North America)
- 1-437-561-5030 (text and call enabled outside of North America)

By email

- contactus@kingsdalesadvisors.com



Dear fellow shareholders

As Chair of the Board of Directors for Sherritt, I am pleased to note that we have made significant strides in rebuilding Sherritt from what many believed to be a terminal debt position in 2020. This was achieved thanks to the imagination of our management team and the dedicated employees and a board willing to take on this immense challenge demonstrating the resilience that Sherritt has become known for.

During my tenure as chair, we have made transformational changes to the company. We rescued the business in 2020 with the successful completion of an initiative that eliminated more than \$300 million of debt without dilution to shareholders and exited the costly strategy in pursuit of the Ambatovy project. We appointed a new Chief Executive Officer in 2021 through whom a new strategic direction could be pursued following these transactions.

Since then, we further strengthened our balance sheet in 2022 repurchasing more than \$150 million or 35% of our notes at a discount. Additionally in 2022, we finalized the transformative “Cobalt Swap” agreement with our Cuban partners under which we anticipate receiving more than \$700 million in cobalt and cash distributions over a five-year period, half of which will be used to settle our legacy Cuban receivables. Most of this cashflow is expected prior to our debt becoming due in 2026. This novel agreement has been a success in its first year with the total annual amount being fully received by mid-year 2023.

These changes have allowed the new management team to transition and pursue growth which was embarked on in 2022 through our Moa JV expansion program targeting an increase of annual mixed sulphide precipitate production by approximately 20% for very modest capital investment, demonstrating the team’s capital discipline and initiative to pursue only the most critical components of growth that has the highest return through the commodities cycles.

Concurrently, the new leadership team also sought to tackle the ever-declining gas availability in our Power joint venture, Energas, through the pursuit of developing new gas wells. It remains our Cuban partner’s responsibility to deliver gas free of charge to the Power business, however, through the critical relationship this management team built with the Cuban government and our respective joint venture partners, a joint program was developed to increase gas availability by utilizing Sherritt’s oil and gas expertise and equipment in-country. This program has now allowed our Boca facility to increase Power production from mid-40% utilization to more than 90% currently and seeking to increase this even more in 2024.

During 2023, however, the metals market dynamics turned with the prices of both nickel and cobalt falling significantly. In addition, production issues stemming from blending at the mine and a failure of the ammonia tower at the Fort Site refinery meant that Sherritt’s Metals business did not deliver the strong operating results we know it is capable of. In the fourth quarter, the impact on fertilizer availability from the ammonia plant breakdown contributed to a year over year increase in net direct cash cost, a disappointing outcome. While management and our Cuban partner successfully addressed and resolved the maintenance challenges, the nickel market headwinds increased with a global supply glut resulting from increased production driven by Chinese influenced producers operating in Indonesia. Despite these market challenges, our transformational changes continued over the course of 2023 with the initiatives commenced or completed in prior years setting the stage for the growth which is now underway.

As mentioned, the Cobalt Swap agreement was a success in 2023 as we received more than \$150 million from the sale of cobalt and the top-up cash dividend.

At our Moa JV, we made substantial longer-term progress delivering an updated NI 43-101 technical report highlighting a long mine life which is expected to last until 2048 based on current mineral reserve estimates, which have more than doubled. We also advanced our Moa JV’s low capital intensity expansion program, completing phase one under budget and on schedule

while management found opportunities to defer capital from phase two beyond 2024 without affecting the overall project schedule which will ultimately deliver meaningfully higher mixed sulphide production in the years ahead to fully utilize our refinery from own feed and increase profitability.

Sherritt's board and management remain ardent supporters of strong long-term nickel and cobalt demand, supporting these commodities' prices, given the significant growth expected from the energy transition as governments and auto manufacturers continue to implement their climate change and fleet electrification strategies. The management team anticipated the metals market evolutions observed and pivoted sales into Europe and developed a warehousing strategy to increase spot sales and potential premiums from these, partly avoiding the negative impacts from the Chinese Indonesian over supply. New market segments are also being pursued with our Technologies team actively working with the electric vehicle supply chain in developing new nickel refining capacity in North America.

At our Power business, the success of the "Moa Swap" has ensured that the business can operate efficiently and has allowed us to successfully pursue additional gas to increase electricity production. This success and a continued focus on increasing production through additional gas sources contributed to the first cash dividends Sherritt received in Canada during the year and the expectation for dividends to meaningfully increase in the years ahead.

With the recent decisive and significant actions management has taken to reduce costs, preserve liquidity and deliver on strategic priorities in the current market conditions, Sherritt will again prove that it has the resilience, innovation, and ability to effectively manage through adversity.

In summary, Sherritt's transformation remains on track. With the changes enacted this year to strengthen our business and the advancements made achieving notable milestones, we are charting a course towards a future where we will realize significant sustainable long-term success with a strengthened balance sheet and increased opportunities for providing meaningful returns to our stakeholders.

We have recently announced further steps in our Board succession. Louise Blais and Steven Goldman joined the Board on March 21, 2024 to replace Maryse Bélanger and John Warwick both of whom had decided not to stand for re-election at this year's meeting in May. Louise has a long and distinguished diplomatic career and was Canada's Ambassador and Deputy Permanent Representative to the United Nations in New York from 2017 to 2021. Steven is a founding member of the Toronto law firm Goldman Hine LLP from which he retired in January 2021. He has served on Boards and senior management in a variety of public companies that include natural resource and medical companies. I thank both Maryse and John for their extensive contributions and tireless commitment spent serving the company's best interests.

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. I encourage all shareholders to vote your shares, or to 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. We look forward to continuing our efforts in achieving our strategic priorities in the coming years. I would also like to recognize the dedication and contributions of all our employees without which none of our progress in 2023 would have been possible.

Sincerely,



Sir Richard Lapthorne
Chair, Board of Directors
Sherritt International Corporation

March 28, 2024

OVERVIEW OF THE 2024 MANAGEMENT INFORMATION CIRCULAR

Sherritt is a world leader in using hydrometallurgical processes to mine and refine nickel and cobalt – metals deemed critical for the energy transition. Sherritt’s Moa Joint Venture has a current estimated mine life of 25 years and has embarked on an expansion program focused on increasing annual mixed sulphide precipitate production by approximately 20% of contained nickel and cobalt (100% basis). The Corporation’s Power division, through its ownership in Energas S.A., is the largest independent energy producer in Cuba with installed electrical generating capacity of 506 MW, representing approximately 10% of the national electrical generating capacity in Cuba. The Energas facilities are comprised of two combined cycle plants that produce low-cost electricity from one of the lowest carbon emitting sources of power in Cuba. Sherritt’s common shares are listed on the Toronto Stock Exchange under the symbol “S”.

Our 2024 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.

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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 | 2023 meeting attendance | 2023 voting result |
|---|-----|----------------|-------------|-------------------------|--------------------|
| Leon Binedell (President & Chief Executive Officer) | 50 | June 2021 | no | 100% | 95.46% for |
| Louise Blais ¹ | 58 | March 2024 | yes | N/A | N/A |
| Steven Goldman ² | 68 | March 2024 | yes | N/A | N/A |
| Dr. Peter Hancock | 60 | November 2021 | yes | 100% | 95.35% for |
| Anna Ladd-Kruger | 54 | February 2023 | yes | 100% | 95.44% for |
| Sir Richard Laphorne (Chair) | 80 | September 2011 | yes | 100% | 94.99% for |
| Chih-Ting Lo | 43 | March 2022 | yes | 100% | 95.29% for |

1 Louise Blais joined Sherritt in 2024, consequently, statistical information related to her 2023 voting results is not available. Louise Blais did not attend any Board or Committee meetings in 2023.

2 Steven Goldman joined Sherritt in 2024, consequently, statistical information related to his 2023 voting results is not available. Steven Goldman did not attend any Board or Committee meetings in 2023.

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 2023, 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 extended its shareholder engagement program into 2024 in advance of its 2024 annual general meeting. See page 28 for more information about these meetings.

You can read more about this year's nominated directors beginning on page 18, governance at Sherritt beginning on page 23 and executive pay beginning on page 40.

Qualified and experienced nominees

100%

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

71%

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 and annual operating 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 annual operating and strategic priorities, enhance our oversight of compensation risk and other appropriate refinements:

| | |
|---------------------|---|
| Key changes in 2021 | 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 |
| Key changes in 2022 | 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 |
| Key changes in 2023 | Re-introduced stock options for senior executives, and adjusted the performance measure for PSUs to 100% relative total shareholder return |
| Plans for 2024 | Introducing a limit on annual stock option grants of 1% of outstanding shares to limit dilution impact during lower priced periods |

Snapshot of 2023 compensation decisions

Total compensation paid to the named executives in 2023 is summarized below:

- **Salaries** – salaries for the CEO, CFO and CCO were increased. Other named executive salaries were unchanged from their salaries in 2022.
- **Short-term incentives** – awards were between 22% and 104% of target, based on corporate, operational and individual performance, which you can read about beginning on page 56.
- **Equity incentives** – awarded at target and allocated 25% to RSUs, 50% to PSUs and 25% to stock options.
- **Payout of 2020 mid-term awards** – paid out at 394% of the grant value because of: the performance vesting with 147% of PSUs vested and the increase from grant date value of \$0.16 per share to \$0.51 per share at vesting, aligning executive compensation outcomes with the experience of our shareholders.

2023 Total direct compensation (see page 56)

| | Salary | Short-term incentive | Equity incentives | 2023 compensation | Pay tied to performance (at risk) | Compared to target | Compared to 2022 |
|----------------|-----------|----------------------|-------------------|-------------------|-----------------------------------|--------------------|------------------|
| Leon Binedell | \$672,500 | \$147,950 | \$1,390,000 | \$2,210,450 | 70% | -19% | -17% |
| Yasmin Gabriel | \$372,500 | \$127,395 | \$475,000 | \$974,895 | 62% | -9% | -1% |
| Greg Honig | \$343,750 | \$117,563 | \$350,000 | \$811,313 | 58% | -10% | -10% |
| Elvin Saruk | \$380,000 | \$237,120 | \$485,000 | \$1,102,120 | 66% | +1% | -6% |
| Ward Sellers | \$375,000 | \$106,875 | \$500,000 | \$981,875 | 62% | -8% | -12% |

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

2023 HIGHLIGHTS



Received more than \$150 million from the successful first year of the Cobalt Swap agreement



31% year over year increase in electricity production exceeding increased guidance and highest production in five years



Delivered updated mine plan for the Moa Joint Venture, doubling mineral reserves and extending the mine life to 2048



Completed phase 1 of the Moa Joint Venture expansion program, the Slurry Preparation Plant, on schedule and below budget

Although 2023 presented challenges with the market environment for nickel and cobalt prices, Sherritt acted promptly deferring capital, containing costs, reducing headcount and optimizing its operating plans with its Cuban partner to mitigate the impacts of lower metal prices. Encountering operational setbacks, Sherritt made improvements to its business, restructuring its Technologies division as well as streamlining its Metals division, making leadership changes to drive operational improvements. Guidance for 2024 reflects the expected improvements from these actions with notable decreases to costs and a strong year ahead from Power which is expected to generate increased dividends to Sherritt. Despite the challenging market environment, Sherritt was successful in accomplishing a number of objectives during the year.

Sherritt successfully completed the first year of the Cobalt Swap agreement which included the receipt of 2,082 tonnes of cobalt from the Moa Joint Venture (Moa Joint Venture or the Moa JV) with an in-kind value of \$88.1 million and a cash top-up dividend of \$64.0 million which resulted in a corresponding reduction in the General Nickel Company S.A. (GNC) receivable of \$76.0 million.

Sherritt achieved significant growth in its Power business through increased electricity production. Electricity production exceeded guidance that was increased during the year with strong results driven by additional gas from the two gas wells that went into production during the second quarter of 2023 and improved equipment availability. Sherritt received \$1.4 million in dividends from Energas S.A. (Energas) during the year and expects to see increasing dividends in 2024.

At its Moa JV, Sherritt delivered a National Instrument 43-101 Technical Report extending the life of mine to 2048 based on current mineral reserve estimates and outlining favorable economics which exclude the positive impacts of its current expansion project underway.

Sherritt advanced its low cost and low capital intensity two-phase expansion program. Phase one of the expansion, the Slurry Preparation Plant (SPP), was completed under budget and on schedule. Phase one is expected to reduce ore haulage distances, lower carbon intensity from mining and increase annual mixed sulphide precipitate (MSP) production of contained nickel and cobalt through increased throughput over the mine's long life. The timing and budget of phase two of the expansion to reach higher target levels of production remains unchanged and is on schedule for an expected end of year 2024 completion with commissioning and ramp up in 2025.

Sherritt advanced several important environment, social and governance (ESG) initiatives during the year as well. An enhanced ESG profile and continued progression towards the Corporation's climate change goals is a key strategic priority as current and evolving metals market customers prioritize responsibly sourced inputs. Sherritt maintained conformity with the London Metal Exchange's (LME) Track B Responsible Sourcing Requirements, achieved ISO 45001 and ISO 14001 certification and continued to improve Fort Site's Towards Sustainable Mining score. Sherritt completed a Greenhouse Gas Emissions Baseline Assessment at Energas and initiated assessments at the Moa mine site and Fort Site and completed a Task Force on Climate-related Disclosures-aligned risk and opportunity assessment for Fort Site.

Looking ahead, Sherritt continues to seek opportunities to optimize performance and manage near-term market conditions, ensuring that strategic goals remain a top priority.

The table below lists Sherritt's strategic priorities for 2023, and summarizes how the Corporation has performed against those priorities.

| 2023 Strategic priorities | Selected actions | Status |
|---|--|---|
| ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER | Execute on plans to expand Moa JV MSP intermediate production by approximately 20% of contained metals annually | <ul style="list-style-type: none"> The SPP has commenced ramp up with ore feed to the plant commencing in January 2024. The overall timing and budget of phase two to reach target levels of production remains unchanged and is on schedule for an expected end of year 2024 completion with commissioning and ramp up in 2025. |
| | Complete and file NI 43-101 Technical Report | <ul style="list-style-type: none"> Filed Technical Report for the Moa JV in Q1 which indicates that current reserves estimates are sufficient to extend the life of mine 14 years to 2048, including a 110% increase in Proven and Probable mineral reserves for nickel. |
| | Rank in lowest quartile of HPAL nickel producers for net direct cash cost (NDCC) | <ul style="list-style-type: none"> Full year 2023 NDCC¹ of US\$7.22/lb ranked Sherritt in the third cost quartile for high pressure acid leach (HPAL) nickel producers and all nickel producers.² Improved metals and fertilizer production, reduced maintenance and improved commodity prices will positively impact NDCC¹ |
| LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH | Support Moa JV expansion, operational improvements, ECOG ³ implementation and life of mine extension, and marketing initiatives | <ul style="list-style-type: none"> Continued to support the implementation of revised mine plan based on ECOG methodology, improve mining practices and capabilities test work and provide support for on-going process plant improvements and debottlenecking work at Moa and the Fort Site locations |
| | Advance Technologies solutions toward commercialization with external partnerships and funding | <ul style="list-style-type: none"> Completed the continuous pilot test of the on-going mixed hydroxide precipitate (MHP) test program, which is supported by a funding commitment from Natural Resources Canada (NRCan), as part of Sherritt's strategic objective for expanding midstream processing capacity. Advanced venture analysis, flowsheet enhancements and batch test work on next-generation laterite (NGL) processing technology to support discussions with external parties. |
| ACHIEVE BALANCE SHEET STRENGTH | Effectively leverage collections on the Cobalt Swap agreement | <ul style="list-style-type: none"> Received the total maximum cobalt amount of 2,082 tonnes of cobalt with an in-kind value of US\$65.5 million (\$88.1 million) and a cash top-up payment of US\$48.5 million (\$64 million) for a total of US\$114 million (\$152.1 million) under the Cobalt Swap agreement to complete GNC's first year obligations. |
| | Maximize available liquidity to support growth strategy | <ul style="list-style-type: none"> Amended the syndicated revolving-term credit facility to extend its maturity to April 30, 2025 and added provisions to allow for an increase in the credit limit. Signed a new parent company guarantee valid until December 31, 2027 as security for environmental rehabilitation obligations held by the Corporation's legacy Spanish Oil and Gas operations, thereby not impacting available liquidity. |
| BE RECOGNIZED AS A SUSTAINABLE ORGANIZATION | Deliver on actions identified in the Sustainability Report | <ul style="list-style-type: none"> Released 2022 Sustainability Reports. Monitoring progress towards targets and key activities. |
| | Achieve year-over-year ESG improvements including reduction of carbon intensity | <ul style="list-style-type: none"> Completed a baseline Greenhouse Gas (GHG) and climate-change data collection and risk and opportunity assessment at Energas and advanced assessments at the Moa JV and Fort Site. Studies are expected to be completed in early 2024. |
| MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES | Access additional gas supply to increase electrical power generation | <ul style="list-style-type: none"> Power began receiving gas from two new wells in Q2 2023 and Energas is using the additional gas for increased electricity production. First cash dividend of \$1.4 million received in Canada. |

1 Non-GAAP and other financial measures. For additional information, see the Non-GAAP and other financial measures section.

2 Wood Mackenzie, Nickel Industry Costs Operation 2024.

3 ECOG = Economic cut off grade.



2024 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 28, 2024 and are entitled to receive notice of our 2024 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 faint, light blue circular stamp.

Leon Binedell
President and Chief Executive Officer

Toronto, Ontario
March 28, 2024

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 28, 2024, unless indicated otherwise

Record date

March 28, 2024

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 28, 2024, you are eligible to vote at our 2024 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, Shareholders may contact Kingsdale Advisors, Sherritt's strategic advisor by telephone at 1-866-229-8263 (toll-free in North America) or 1-437-561-5030 (text and call enabled outside North America), or by email at contactus@kingsdaleadvisors.com.

Please join us at our 2024 annual meeting

Where

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

When

Thursday, May 9, 2024
11:00 a.m. (Eastern Time)

Where to find it

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

VOTING

Who can vote

If you held Sherritt common shares at the close of business on March 28, 2024, you are eligible to vote at our 2024 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 you hold a share certificate or a DRS statement registered in your name. 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 proxy form and your photo ID with you, 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. 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 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.

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 other 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

REGISTERED SHAREHOLDERS

(YOU HOLD A SHARE CERTIFICATE OR A DRS STATEMENT REGISTERED IN YOUR NAME)



Go to www.meeting-vote.com and follow the voting instructions. You will require a 13-digit control number (located on the front of your proxy form) to identify yourself.



To vote by phone should call 1.888.489.7352. You will require your 13-digit control number (located on the front of your proxy) form to identify yourself.



Complete, sign, and date your proxy form and return it to:
**TSX Trust Company (Canada),
Attention: Proxy Department,
P.O. Box 721, Agincourt,
Ontario M1S 0A1**



Complete, sign, and date your form of proxy form and return it by fax to 1.416.595.9593. On the fax please write:
To the Toronto Office of TSX Trust (Proxy Department)

TSX Trust Company must receive your voting instructions by 11:00 a.m. (Eastern Time) on May 7, 2024 and, if the meeting is adjourned or postponed, no later than 48 hours (excluding 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 the Canadian Depository for Securities (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. 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.

How to submit your voting instructions

NON-REGISTERED SHAREHOLDERS

(YOU HOLD SHARES THROUGH A CANADIAN BANK, BROKER OR OTHER INTERMEDIARY)



Go to www.proxyvote.com and follow the voting instructions on the screen. You will require a 16-digit control number (located on the front of your voting information form (VIF) to identify yourself.



To vote by phone should call 1.800.474.7493 (English) or 1.800.474.7501 (French). You will require a 16-digit control number (located on the front of your VIF) to identify yourself.



Complete, sign, and date your VIF and return it in the postage prepaid envelope.



Complete, sign, and date your VIF and return it by fax to 905.507.7793 or 1.866.623.5305.

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 7, 2024 and, if the meeting is adjourned or postponed, no later than 48 hours (excluding 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

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 7, 2024 or 48 hours (excluding 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.

Electronic delivery

Non-registered shareholders are asked to consider signing up for electronic delivery (e-delivery) of the meeting materials.

E-delivery has become a convenient way to make distribution of materials more efficient and is an environmentally responsible alternative by eliminating the use of printed paper and the carbon footprint of the associated mail delivery process. Signing up is quick and easy, go to www.proxyvote.com and sign in with your control number, vote for the resolutions at the meeting and following your vote confirmation, you will be able to select the electronic delivery box and provide an email address. Having registered for electronic delivery, going forward you will receive your meeting materials by email and will be able to vote on your device by simply following a link in the email sent by your financial intermediary, provided your intermediary supports this service.

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 2024 annual meeting will be posted on our [website](#) and filed on [SEDAR+](#).

We are not aware of any director or executive officer at any time in 2024, 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 2023 financial statements

If you asked us to send you our annual financial statements for the year ended December 31, 2023, 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 2023 Annual Report on our [website](#) and [SEDAR+](#).

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 2024 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 2024 and to authorize the Board to set the auditor's compensation.

The table below shows the fees paid to the external auditor for 2022 and 2023.

| | 2022 | 2023 |
|---|--------------------|--------------------|
| Audit fees | \$2,623,820 | \$2,709,658 |
| 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 | | |
| Audit-related fees | \$425,000 | \$128,500 |
| 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 | | |
| Tax-related fees | \$108,000 | \$118,539 |
| For assistance and advice relating to the preparation of corporate income tax returns and expatriate services, other tax compliance and advisory services | | |
| Other fees | \$0 | \$0 |
| Relating to training and development, and strategic consulting services. | | |
| Total | \$3,156,820 | \$2,956,697 |

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 86% 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 2023 pay decisions starting on page 56 before you vote your shares.

In 2023, We continued our regular annual shareholder engagement program, inviting shareholders representing approximately 20% of Sherritt's issued and outstanding shares, to meet with Sherritt's Chair of the Board and the Chair of the Human Resources Committee. Sherritt extended its shareholder engagement program into 2024 in advance of its 2024 annual general meeting. See page 28 for more information about these meetings.

You can read more about this year's nominated directors beginning on page 18, governance at Sherritt beginning on page 23 and executive pay beginning on page 40.

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 2024 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 2025 annual meeting, unless a director resigns or otherwise leaves office.

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. Leon Binedell | 5. Anna Ladd-Kruger |
| 2. Louise Blais | 6. Sir Richard Lapthorne |
| 3. Steven Goldman | 7. Chih-Ting Lo |
| 4. Dr. Peter Hancock | |

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.

The Board recommends that shareholders vote FOR each of the nominated directors. You can read about the nominated directors beginning on page 18.

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 2025 annual meeting by **February 7, 2025, being the end of the 60-day period in which shareholder proposals must be submitted which begins on December 10, 2024** 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 |
| 86% are independent | 43% are women | 86% Canada |
| AVERAGE AGE | AVERAGE TENURE | |
| 59 years | 3 years | 14% International |

2023 attendance

The table below is a summary of the Board and committee meetings held in 2023 and the attendance of the nominated directors. You can read about each director's attendance record on page 36.

| | Number of meetings | Overall meeting attendance |
|---|--------------------|----------------------------|
| Board of directors | 10 | 100% |
| Audit Committee | 5 | 100% |
| Human Resources Committee | 5 | 100% |
| Nominating and Corporate Governance Committee | 4 | 100% |
| 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, 2023 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 29, 2023 (\$0.30).

Qualified and experienced nominees

100%

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

71%

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

LEON BINEDELL

President and Chief Executive Officer,
Sherritt International Corporation
Not independent

Residence: Ontario, Canada

Age: 50

Director since: June 1, 2021

2023 meeting attendance: 100%

2023 vote: 95.46% 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 26 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: 458,598

Performance share units: 2,940,797

Restricted share units: 2,285,137

Stock options: 1,480,015

Total value: \$3,126,319

Meets his equity ownership requirement (see page 48).

LOUISE BLAIS

Corporate Director
Independent

Residence: Québec, Canada

Age: 58

Director since: March 21, 2024

2023 meeting attendance: N/A

2023 vote: N/A



Areas of expertise

- International business
- Government relations
- Human resources/executive compensation
- Environment, health, safety and sustainability
- Board leadership

Business experience

Former Ambassador Louise Blais was Canada's Deputy Permanent Representative to the United Nations in New York from 2017 to 2021. During this time, she served as Vice President on the Global Executive Board of UNICEF (with operating budget of over US\$25 billion). As a senior diplomat, she has worked closely with Canadian companies in foreign markets, specializing in trade policy, investment attraction and export promotion. Currently, she is an Associate at the Atlanta-based Pendleton Group and Senior Advisor to the Business Council of Canada. Having begun her career at Interpol, Louise Blais joined the Department of Foreign Affairs in 1996. As a senior diplomat, she served abroad in Washington, Tokyo and as Minister-Counsellor in Paris. She was Consul General in Atlanta, representing Canada in six U.S. states, before being named Ambassador to the UN in 2017.

In 2023, she was appointed by the Minister of International Trade to the Board of Invest in Canada. She is on the Advisory Boards of ADC Technologies and the Canadian American Business Council. She also serves as Strategic Advisor to the QG100, a network of top Quebec companies with international operations. She regularly leads business delegations to international summits, such as the Trilateral Free Trade Commission (Canada, USA and Mexico), the Canada-Mexico High Level Economic Dialogue.

Other public company boards in the past five years

None

Other boards

- Advisory Council of ADC Technology

Public board interlocks

None

Education and distinctions

- Bachelor of Arts (McGill University)
- John Robson Lecturer at Emory University
- Diplomat-in-Residence at Laval University
- Diplomat-in-Residence at the Sam Nunn School of International Affairs at Georgia Tech

Equity ownership

Shares: 0

Deferred share units: 0

Total value: \$0

As she was appointed March 21, 2024, she has until March 21, 2028 to meet her equity ownership requirement (see page 37).

STEVEN GOLDMAN

Corporate Director
Independent



Residence: Ontario, Canada

Age: 68

Director since: March 21, 2024

2023 meeting attendance: N/A

2023 vote: N/A

Areas of expertise

- Mining/resource industry
- Financial literacy/reporting
- Corporate Governance
- Human resources/executive compensation
- Finance and M&A
- Board leadership

Business experience

Steven Goldman is a founding member of the Toronto law firm of Goldman Hine LLP from which he retired in 2021. He remains counsel to the firm on a limited basis. During his legal career he acted for companies in various sectors to resolve complex legal disputes as well as provide strategic business advice. Mr. Goldman was listed in Best Lawyers in Canada for approximately 15 years as well listed as in Lexpert as a leading franchise litigation lawyer. From late 2017 until 2019. Mr. Goldman was President & CEO of privately owned Speedy Auto Service and Minute Muffler (with approximately 160 franchised locations across Canada). In 2018, he became President, CEO and Director of Comstock Metals Ltd., positions that he still holds. Mr. Goldman was an advisor to Alberta based E3 Metals (now known as E3 Lithium (TSX:V ETL) from 2018 until 2022.

Other public company boards in the past five years

- Comstock Metals Ltd. (audit committee member)
- Select Sands Corp
- MAS Gold Corp

Other boards

- Fiber Connections Inc. (audit committee member)
- Stellar Pharmaceuticals (later known as Tribute Pharmaceuticals)
- Allegro Health Group

Public board interlocks

None

Education and distinctions

- Bachelor of Arts (Carleton University, President's Medal)
- Juris Doctorate (Queens University)
- Called to the Bar of the Law Society of Upper Canada (now known as the Law Society of Ontario) in 1982

Equity ownership

Shares: 0

Deferred share units: 0

Total value: \$0

As he was appointed March 21, 2024, he has until March 21, 2028 to meet his equity ownership requirement (see page 37).

DR. PETER HANCOCK

Corporate Director
Independent



Residence: Nova Scotia, Canada

Age: 60

Director since: November 10, 2021

2023 meeting attendance: 100%

2023 vote: 95.35% 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 36-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
- Master 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: 414,114

Total value: \$238,957

Has until November 2026 to meet his equity ownership requirement (see page 37).

ANNA LADD-KRUGER

Corporate Director
Independent



Residence: British Columbia, Canada

Age: 54

Director since: February 8, 2023

2023 meeting attendance: 100%

2023 vote: 95.44%

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. Ms. Ladd-Kruger is currently an Independent Director and chair of the audit committee of the board of SilverCrest Metals Inc. and Integra Resources; she also serves on their technical, sustainability and governance committees. She is also on the board of Nevada Copper Corp. 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

- Nevada Copper Corp. (chair of audit committee and member of sustainability and governance & nominating committees)
- Integra Resources Corp. (chair of audit committee and member of ESG and technical committees)
- Excellon Resources Inc. (compensation committee)
- Nova Minerals Limited
- SilverCrest Metals Inc. (chair of audit committee and member of governance & nominating committee)

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
- Master in Economics, Queen's University
- Bachelor of Commerce, University of British Columbia

Equity ownership

Shares: 0

Deferred share units: 183,673

Total value: \$89,001

Has until February 2028 to meet her equity ownership requirement (see page 37).

SIR RICHARD LAPHORNE

Chair
Corporate Director
Independent



Residence: Buckinghamshire, UK

Age: 80

Director since: September 14, 2011

2023 meeting attendance: 100%

2023 vote: 94.99% 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 Lapthorne 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 to 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

- Outland Estates Limited
- Albert Square Estates Limited
- Verdi Estates Limited

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: 1,182,711

Total value: \$1,291,091

Meets his equity ownership requirement (see page 37).

CHIH-TING LO

Corporate Director
Independent



Residence: British Columbia, Canada

Age: 43

Director since: March 1, 2022

2023 meeting attendance: 100%

2023 vote: 95.29% for

Areas of expertise

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

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 net greenhouse gas emissions for the industrial sector. Over the past 20 years, she has advised mining companies, public utilities, and governments globally 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. She also serves on the Board of Directors and Board of Advisors of several climate tech companies in minerals and mining space.

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. (compensation committee)

Public board interlocks

None

Education and distinctions

- Professional Engineering designation from Engineers and Geoscientists, BC
- Master of Science, Chemical Engineering, Queen's University
- Bachelor of Applied Science, Chemical Engineering, University of British Columbia
- ICD Rotman Directors Education Program, Institute of Corporate Directors of Canada, ICD.D

Equity ownership

Shares: 62,000

Deferred share units: 366,814

Total value: \$208,882

Has until March 2027 to meet her equity ownership requirement (see page 37).

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

- 24 About the Board
- 26 The role of the Board
- 29 Board committees
- 32 Board composition
- 36 What we expect of directors
- 38 Director compensation

ABOUT THE BOARD

Board structure

| | |
|---------------------------|---|
| Shareholders | Elect the Board for a term of one year. |
| Board of directors | 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 (www.sherritt.com). |
| Board Committees | <p>Established by the Board to help carry out its responsibilities:</p> <ul style="list-style-type: none">• Audit Committee• Human Resources Committee• Nominating and Corporate Governance Committee• Reserves, Operations and Capital Committee <p>The Committees provide expertise and resources in specific areas, enhance the quality of discussion at board meetings and facilitate decision-making. All four 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 2023, there were four 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 29.</p> <p>Committee mandates are reviewed annually and approved by the Board, and are posted on our website (www.sherritt.com).</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 83.

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.

Where to find the position descriptions

You can find a copy of the position description for the Board Chair in Appendix B on page 87. The position descriptions for 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).

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.

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 also provides input and advice about strategic opportunities, as well as issues and concerns relating to risk and participates annually in a strategy session with senior management to provide input into strategy development and assess relevant strategic risks.

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, jurisdictional and political risks, including without limitation operations in Cuba and related U.S. Government policy towards Cuba, restrictions in debt instruments including debt covenants and mandatory repayments, 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, risks associated with our joint venture, mining, processing and refining risks, operating risks, project operations generally, capital and operating cost estimates, equipment failure and other unexpected failures, among other things, together with risks associated with sourcing and supply. You can read more about our risk factors in our 2023 Annual Information Form and our MD&A for the year ended December 31, 2023 on our [website](#) and [SEDAR+](#).

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, we regularly 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 2023, 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, policies, 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 17% of the executive team, and two female employees at the Vice President level representing 22% 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, however the independent board members are equally represented by gender. 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 2023, we continued our regular annual shareholder engagement program, with Sherritt's Chair of the Board and the Chair of the Human Resources Committee or Sherritt's management inviting and meeting with shareholders representing approximately 20% of Sherritt's issued and outstanding shares. 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 allow users 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). 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%

Meetings in 2023: 5

Members:

Anna Ladd-Kruger (Chair effective March 21, 2024)

Steven Goldman and Sir Richard Laphorne

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 2023 Annual Information Form on our [website](#) and [SEDAR+](#).

Human Resources Committee

Independent: 100%
Meetings in 2023: 5

Members:
Peter Hancock (Chair since May 13, 2022)
Louise Blais, Steven Goldman and Chih-Ting Lo

The Human Resources Committee oversees our director and executive compensation, in addition to the human resources strategic plan, incentive compensation plans, performance assessment of the executive team, retirement benefits and succession planning. It also establishes our compensation policies and oversees executive compensation risk.

The Committee reviews director compensation to ensure that it continues to be appropriate for the duties, responsibilities and risks of being a director and stays competitive with the market and makes recommendations to the Board as appropriate.

The Committee also makes recommendations to the Board about executive compensation including the program structure, balance of fixed and variable elements of compensation, terms and conditions of employment, incentive plan design, performance evaluations for our senior executive officers, compensation decisions and management succession planning. It oversees our retirement plans through the work of the Management Retirement Committee.

The Human Resources Committee meets with its independent advisor without management present and the external advisor attends all regular committee meetings to provide advice and counsel. Management is invited to attend committee meetings to present recommendations and updates.

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 alignment of discussions and decisions.

Nominating and Corporate Governance Committee

Independent: 100%
Meetings in 2023: 4

Members:
Sir Richard Laphorne (Chair since May 23, 2013)
Louise Blais, Steven Goldman, Peter Hancock, Anna Ladd-Kruger and Chih-Ting Lo

The Nominating and Corporate Governance Committee oversees all governance matters and establishes our corporate governance policies and practices. It is also responsible for identifying new candidates for nomination or appointment to the Board.

The Nominating and Corporate Governance Committee makes recommendations to the Board about the size, composition and mandates of the Board and committees, the qualifications of director candidates and nominees, board succession, the board assessment process and position descriptions or terms of reference for the President and Chief Executive Officer, Board Chair and Chair of each Board committee.

The Nominating and Corporate Governance Committee also oversees director orientation and continuing education, all proposed related party transactions and situations for potential conflicts of interest, and it reviews our code of business conduct and ethics.

Reserves, Operations and Capital Committee

Independent: 100%

Members:

Meetings in 2023: 7

Peter Hancock (Chair since March 1, 2022)

Chih-Ting Lo and Anna Ladd-Kruger

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 and annual plans.

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. In a similar way as with executive roles, 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.

| | Leon Binedell | Louise Blais | Steven Goldman | Peter Hancock | Anna Ladd-Kruger | Sir Richard Lapthorne | Chih-Ting Lo | Total |
|---|---------------|--------------|----------------|---------------|------------------------|-----------------------|-----------------------|-------|
| Appointed | June 2021 | March 2024 | March 2024 | November 2021 | February 2023 | September 2011 | March 2022 | |
| Mining/resource industry | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| International business | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | 6 |
| Government relations | ✓ | ✓ | | ✓ | | ✓ | | 4 |
| Capital projects | ✓ | | | ✓ | ✓ | ✓ | ✓ | 5 |
| Reserve evaluation | | | | ✓ | ✓ | | ✓ | 3 |
| Enterprise management | ✓ | | | ✓ | ✓ | ✓ | ✓ | 5 |
| Financial literacy/reporting | ✓ | | ✓ | | ✓ | ✓ | | 4 |
| Corporate governance | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | 6 |
| Operations | | | | ✓ | ✓ | ✓ | ✓ | 4 |
| Human resources/ executive compensation | | ✓ | ✓ | ✓ | ✓ | ✓ | | 5 |
| Environment, health, safety and sustainability | | ✓ | | ✓ | | | ✓ | 3 |
| Risk management/evaluation | ✓ | | | ✓ | ✓ | ✓ | ✓ | 5 |
| Finance/M&A | ✓ | | ✓ | | ✓ | ✓ | | 4 |
| Board leadership | ✓ | ✓ | ✓ | | ✓ | ✓ | | 5 |
| Language skills | | French | | 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. Where specific language capabilities do not exist, translators are used to ensure effective engagement that allows 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.), annual strategic landscape, risk and strategic project materials, 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 2023 by nominees who were directors in that year. We reimburse directors for any out-of-pocket expenses.

| Mining industry | Presented/hosted by | Attendees |
|---|--|---|
| Precious Metals Conference | Zurich | Anna Ladd-Kruger |
| Fort Site Visit | Sherritt | Leon Binedell Peter Hancock Anna Ladd-Kruger Sir Richard Lapthorne Chih-Ting Lo |
| Accounting/audit/finance | | |
| Risk Management Program for Industry Implementation | KPMG | Anna Ladd-Kruger |
| Blue Chip SWAP Currency Program | Canaccord | Anna Ladd-Kruger |
| Dynamics D365 ERP System End User Training | Microsoft | Anna Ladd-Kruger |
| Human resources | | |
| Navigating the Changing Executive Compensation Landscape | Meridian | Peter Hancock |
| Directors Education Program | Institute of Corporate Directors of Canada | Chih-Ting Lo |
| Environmental, social and governance | | |
| Legal Mine Project Finance- ESG/Equator Principles Webinars | Cassels Brock & Blackwell LLP | Anna Ladd-Kruger |

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. An independent assessment was most recently conducted in 2022. 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.

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, however, also seeks input from the President and CEO.

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. Two new independent directors have joined the Board in 2024, one in 2023, one in 2022, and one in 2021. Our average Board tenure is 3 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 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). If you would like a copy of any of the policies mentioned above, please contact us at 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 2023 director attendance record for meetings of committees they were a member of.

| | Board | | Audit | | Human Resources | | Nominating and Corporate Governance | | Reserves, Operations and Capital | |
|-------------------------------|----------|------|--------|------|-----------------|------|-------------------------------------|------|----------------------------------|------|
| Leon Binedell | 10 of 10 | 100% | | | | | | | | |
| Peter Hancock | 10 of 10 | 100% | | | 5 of 5 | 100% | 4 of 4 | 100% | 7 of 7 | 100% |
| Anna Ladd-Kruger ¹ | 9 of 9 | 100% | 4 of 4 | 100% | | | 4 of 4 | 100% | | |
| Sir Richard Lapthorne | 10 of 10 | 100% | 5 of 5 | 100% | | | 4 of 4 | 100% | | |
| Chih-Ting Lo | 10 of 10 | 100% | | | 5 of 5 | 100% | 4 of 4 | 100% | 7 of 7 | 100% |

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

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 (\$0.30 for 2023).

The table below shows director share ownership as at December 31, 2023¹:

| | Required equity ownership | | | Actual equity ownership as of December 31, 2023 | | | | |
|-------------------------------|---------------------------|---------------------------|-----------|---|-----------|-------------|---------------------------|-------------------|
| | Retainer | Multiple of cash retainer | Amount | Shares | DSUs | Total | Multiple of cash retainer | Status |
| Peter Hancock ² | \$90,000 | 5.0x | \$450,000 | \$38,500 | \$200,457 | \$238,957 | 2.7x | below requirement |
| Anna Ladd-Kruger ³ | \$90,000 | 5.0x | \$450,000 | \$0 | \$89,001 | \$89,001 | 1.0x | below requirement |
| Sir Richard Lapthorne | \$90,000 | 5.0x | \$450,000 | \$353,263 | \$937,828 | \$1,291,091 | 14.3x | meets requirement |
| Chih-Ting Lo ⁴ | \$90,000 | 5.0x | \$450,000 | \$36,380 | \$172,502 | \$208,882 | 2.3x | below 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 65 for information about his compensation and page 48 for information about his equity ownership requirements.

2 Peter Hancock was appointed on November 10, 2021 and has until November 10, 2026 to meet the share ownership requirement.

3 Anna Ladd-Kruger was appointed on February 8, 2023 and has until February 8, 2028 to meet the share ownership requirement.

4 Chih-Ting Lo was appointed to the Board on March 1, 2022 and has until March 1, 2027 to meet the 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.

2023 Director fee schedule

The table shows the director annual fee schedule for 2022 and 2023. Compensation is paid in equal instalments following the end of each quarter.

| | 2022 | | 2023 | |
|-------------------------------------|-----------|----------|-----------|-----------|
| | Cash | Equity | Cash | Equity |
| Annual retainer | | | | |
| Director | \$90,000 | \$90,000 | \$90,000 | \$130,000 |
| Additional retainers | | | | |
| Board Chair ¹ | \$130,000 | | \$130,000 | |
| Deputy Chair ² | \$20,000 | | \$20,000 | |
| Audit Committee Chair | \$20,000 | | \$25,000 | |
| All Other Committee Chairs | \$15,000 | | \$25,000 | |
| Helms-Burton allowance ³ | \$150,000 | | – | |

The Board approves our director compensation based on the recommendations of the Human Resources Committee. Director fees are benchmarked relative to our comparator group (see page 49). 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: 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.

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 2023 was \$1,610,154.

| | 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 ¹ | \$90,000 | \$20,000 | \$110,000 | \$130,000 | – | – | – | \$240,000 |
| Peter Hancock | \$90,000 | \$50,000 | \$140,000 | \$130,000 | – | – | – | \$270,000 |
| Anna Ladd-Kruger ² | \$84,115 | – | \$84,115 | \$121,500 | – | – | – | \$205,615 |
| Sir Richard Lapthorne | \$90,000 | \$130,000 | \$220,000 | \$130,000 | – | – | – | \$350,000 |
| Chih-Ting Lo | \$90,000 | – | \$90,000 | \$130,000 | – | – | – | \$220,000 |
| Lisa Pankratz ³ | \$32,538 | \$9,038 | \$41,577 | \$47,000 | – | – | – | \$88,577 |
| John Warwick ⁴ | \$90,000 | \$15,962 | \$105,962 | \$130,000 | – | – | – | \$235,962 |

¹ Maryse Bélanger stepped down as Director on March 21, 2024.

² Anna Ladd-Kruger was appointed to the Board on February 8, 2023.

³ Lisa Pankratz stepped down as Director on May 11, 2023.

⁴ John Warwick will be stepping as Director on May 8, 2024.

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: \$0.59 (April 17, 2023), \$0.51 (July 15, 2023), \$0.41 (October 15, 2023) and \$0.31 (January 15, 2024). The number of units granted has been rounded up to the nearest whole unit.

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 2023 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: \$0.61 (January 16, 2023), \$0.59 (April 17, 2023), \$0.51 (July 15, 2023) and \$0.41 (October 15, 2023). As payments are paid in arrears, this table captures awards made in 2023. The payment for the 4th quarter of 2023 is made in January 2024.

| | DSU awards |
|------------------------------|------------|
| Maryse Belanger ¹ | \$120,000 |
| Peter Hancock | \$120,000 |
| Anna Ladd-Kruger | \$89,000 |
| Sir Richard Lapthorne | \$120,000 |
| Chih-Ting Lo | \$120,000 |
| Lisa Pankratz | \$69,500 |
| John Warwick | \$120,000 |

Outstanding DSU awards

The table shows the market or payout value of vested DSUs not paid out or distributed as of December 31, 2023. 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, 2023 (\$0.30).

| | Market or payout value of vested DSUs not paid out or distributed |
|-----------------------|---|
| Maryse Belanger | \$464,358 |
| Peter Hancock | \$124,234 |
| Anna Ladd-Kruger | \$55,102 |
| Sir Richard Lapthorne | \$354,813 |
| Chih-Ting Lo | \$110,044 |
| Lisa Pankratz | \$313,782 |
| John Warwick | \$477,987 |

HOW WE PAY OUR EXECUTIVES

Executive pay at Sherritt supports our strategy, motivates our executives to achieve our strategic and annual 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 2023 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)¹
- Ward Sellers, Senior Vice President, Legal General Counsel and Corporate Secretary (SVP, Legal)

Note:

¹ In January 2024, Elvin Saruk was appointed as Chief Operating Officer.

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Letter from the Chair of the Human Resources Committee

In 2023, the executive team continued to build off the transformational strategic accomplishments of 2022, with a continued focus on growing Sherritt's business by identifying and progressing options that deliver value to shareholders. This marked the second full year under the current leadership where the focus has been on delivering growth and strengthening the balance sheet followed by a quick and effective response to the rapid decline in the nickel market during the second half of the year. Throughout the year, the team achieved a number of strategic milestones, effectively positioning the organization for the future. Notable accomplishments include:

- Advanced expansion program focused on an increase by approximately 20% of contained nickel and cobalt annually by the end of 2024.
- Filed Technical Report for the Moa JV, confirming sufficient reserves to extend the life of mine by 14 years to 2048, including a 110% increase in Proven and Probable reserves for nickel.
- Secured a total of 2,082 tonnes of cobalt, with an in-kind value of US\$65.5 million (\$88.1 million) and a cash top-up payment of US\$48.5 million (\$64 million), for a total of US\$114 million (\$152.1 million), under the Cobalt Swap Agreement.
- Successfully amended the syndicated revolving-term credit facility to extend its maturity to April 30, 2025 and added provisions to allow for an increase in the credit limit.
- Achieved year-over-year ESG improvements, including a reduction in carbon intensity.
- Successfully added gas supply to increase electrical power generation from two new wells to achieve the highest production since 2016 and an increase of 31% over 2022.
- Advanced an additional well to be operational in 2024.
- Implemented further reductions in the senior management team and overall administrative costs.

The market challenges that arose in the latter half of 2023 will be of utmost importance as management looks forward to 2024. Committed to maintaining the highest safety standards, management is dedicated to ensuring steady and stable production at the lowest possible cost. The groundwork laid in 2023 for significant future cost-savings initiatives has already been initiated, positively impacting the company's cost profile. Momentum gained in 2023 aligns with Sherritt's long-term focus of continuing to build balance sheet strength, efficiently managing safe operations and creating value for shareholders. These objectives will remain paramount as the organization navigates the currently challenging environment. The executive team has a very clear direction and focus on performance moving forward, and I have great confidence that Sherritt will successfully execute its key initiatives, further 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 2023, EBITDA fell short of target and hence resulted in a weighted corporate financial performance factor of 0%. Business unit performance factors ranged from 20% to 124% of target. These performance factors were assessed by management via a qualitative overlay for strategic objectives and safety which are not always quantifiable, resulting in some necessary adjustments.

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

- Safety performance that included exceeding leading safety indicator targets across operations and under-performing performance achieved in lagging indicators, including two fatalities at our Moa site.
- Responsiveness to the rapid downturn in the nickel and cobalt market and related 2024 planning.
- Continued investment in team member capabilities to maintain a high-performing culture focused on delivering positive outcomes for the organization and shareholders.

After completing a thorough review of all relevant factors, including the appropriateness of safety scores for our Metals business and the CEO, the Committee determined that the proposed compensation fairly reflected company performance and that no additional adjustments should be made. The factors that supported our 2023 short-term incentive determination can be found on page 57. Mid-term incentives granted in 2020, which vested and were paid in 2023, outperformed target and reported values at time of grant, aligning with the intended correlation between payout structure and shareholder experience. See page 63 for more details on mid-term incentive payouts. As a result of our lower 2023 performance vs 2022, and the restructuring of our Senior Executive Team to remove one position, the cost of 2023 CEO total awarded compensation was 19% lower than 2022.

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 44 for more details on these objectives. We regularly review our alignment to our peer group to ensure that our executive compensation offering aligns with the current size, scope and complexity of Sherritt. See page 49 for more details on our peer group. Executive and director compensation are regularly benchmarked to the peer group to ensure that target compensation remains market-appropriate with the last bi-annual review taking place in late 2022 and the next scheduled for 2024.

The findings of the 2022 review indicated that our overall compensation structure is well aligned with the pay practices of companies in the comparator group. However, specific opportunities for adjustments were identified for both short-term and long-term plans. Within our short-term incentive framework, moving forward, each executive will be measured on a set of clear metrics that are more closely tied to the critical aspects of the business – namely, safety, production, and cost. 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. In 2023, cash-settled awards without performance measures (restricted share units) were reduced from 50% of the long-term award value for the executive team to 25%. Additionally, performance share units are now measured solely against total shareholder return and make up 50% of the award value for the executive team. The final 25% is comprised of stock options. These changes place greater weight on sustained shareholder value and company performance, 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 2023, we continued 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. Outreach efforts were extended 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 by our Chairman of the Board, Sir Richard Lapthorne, and myself, in my capacity as Chair of the Human Resources Committee. While we aspire to engage with more shareholders, 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, Tom Halton at Tom.Halton@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 2023 achievements and progress on the expansion strategy, but also the changes implemented 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 a challenging 2023, and the unwavering commitment of team members across the organization, I believe that Sherritt is well-positioned to deliver on both its immediate operational objectives and the exciting growth strategy in the years ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Hancock', with a stylized flourish at the end.

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 and annual 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:

| Strategic Pay is strategically aligned with performance and shareholder experience | Appropriate, fair and reflective of performance Pay is aligned with our organizational structure and the scope of the role Internally equitable and benchmarked to the market | Competitive Pay is externally competitive |
|--|--|---|
| Most of what our executives earn is variable and based on performance. Performance metrics, goals and weightings are defined every year based on our strategic plan and annual business plan and are impacted by share price performance. | 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. | 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. |

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 2023 strategic priorities, and how they are linked to our 2023 compensation program.

2023 Strategic priorities

How they are linked to our 2023 compensation program

| | |
|---|--|
| ACHIEVE BALANCE SHEET STRENGTH <ul style="list-style-type: none"> Effectively leverage collections on the Cobalt Swap agreement Maximize available liquidity to support growth strategy | Financial metrics make up 100% of the corporate score for the short-term incentive plan: <ul style="list-style-type: none"> Adjusted EBITDA¹ is used as our key financial metric to support our goal of preserving liquidity, building balance sheet strength and maximizing free cash flow |
| ESTABLISH SHERRITT AS A LEADING GREEN METALS PRODUCER <ul style="list-style-type: none"> Execute on plans to expand Moa JV MSP production by approximately 20% of contained nickel and cobalt (100% basis) Complete and file NI 43-101 Technical Report Rank in lowest quartile of HPAL nickel producers for NDCC¹ | Safety and environment in our Metals business are included as performance metrics in short-term incentive: <ul style="list-style-type: none"> 25% of the operational score for executives who manage the Metals division Production and cost of production in our Metals business are key performance metrics in the short-term incentive plan: <ul style="list-style-type: none"> 55% of the operational score for executives who manage the Metals division Strategic goals focused on organizational effectiveness are included as performance metrics in the short-term incentive plan: <ul style="list-style-type: none"> 20% of the operational score for executives who manage the Metals division |

2023 Strategic priorities

How they are linked to our 2023 compensation program

LEVERAGE TECHNOLOGIES FOR TRANSFORMATIONAL GROWTH

- Support Moa JV expansion, operational improvements, ECOG² implementation and life of mine extension, and marketing initiatives
- Advance Technologies solutions toward commercialization with external partnerships and funding

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:

- 70% 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:

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

MAXIMIZE VALUE FROM CUBAN ENERGY BUSINESSES

- Access additional gas supply to increase electrical power generation

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

- 25% of the operational score for executives who manage the OGP division

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

- 45% of the operational score for executives who manage the OGP division

Strategic goals focused on increasing Power production and sustainability are included as performance metrics in the short-term incentive plan:

- 30% of the operational score for executives who manage the OGP division

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 2023 the weighting was: Metals 70%, OGP 15% and Technologies 15%.

¹ Non-GAAP financial measure. For additional information, see the Non-GAAP and other financial measures section.

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.

| Fees paid to Meridian | 2022 ¹ | 2023 |
|-------------------------------------|-------------------|-----------------|
| Executive compensation-related fees | \$162,217 | \$83,480 |
| All other fees | – | – |
| Total | \$162,217 | \$83,480 |

¹ 2022 included compensation benchmarking work conducted bi-annually

Management is invited to attend Committee meetings to present recommendations and updates. You can read more about the Human Resources Committee on page 30.

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 26 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 52 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, 2023. 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.

| | Required equity ownership | | | Actual equity ownership as of December 31, 2023 | | | Multiple | Status |
|----------------|---------------------------|----------|-------------|--|-------------|-------------|----------|-------------------|
| | Salary | Multiple | Amount | Shares | RSUs/PSUs | Total | | |
| Leon Binedell | \$695,000 | 3.0x | \$2,085,000 | \$213,784 | \$2,923,335 | \$3,137,119 | 4.5x | meets requirement |
| Yasmin Gabriel | \$380,000 | 1.0x | \$380,000 | \$97,217 | \$927,928 | \$1,025,145 | 2.7x | meets requirement |
| Greg Honig | \$350,000 | 1.0x | \$350,000 | \$133,404 | \$912,502 | \$1,045,906 | 3.0x | meets requirement |
| Elvin Saruk | \$380,000 | 1.0x | \$380,000 | \$698,085 | \$1,333,751 | \$2,031,836 | 5.3x | meets requirement |
| Ward Sellers | \$375,000 | 1.0x | \$375,000 | \$149,567 | \$1,375,002 | \$1,524,569 | 4.1x | 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, 2023 (\$0.30).

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 \$0.30 (whichever is higher). Vesting assumptions are as follows:

- RSUs granted in 2021, 2022 and 2023: assumes 100% of the units vest.
- PSUs granted in 2021, 2022 and 2023: 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.

2023 comparator group review

Annually the Committee reviews the comparator group for continued relevance. Following the 2023 review, two comparators that had been acquired and taken private were removed, and three 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.

As there are very few public nickel companies and no operating nickel companies listed in Canada, 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.
- procurement and logistics challenges associated with operating in Cuba.

With the input of its independent advisor, the Committee reviewed the comparator group for continued relevance in 2023. 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, which represents the Moa joint venture assets on a 50% basis, captures Sherritt's operating assets of approximately \$1.6 billion |
| | 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 | A proxy for the complexities of our business |
| | Challenging jurisdictions | |
| | Number of business units/metal mix | |
| External | Included in relevant comparator groups | "Peer of peer", peers considered by proxy advisors |
| 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 as an Associate. 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.

2023 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 2 comparators that were acquired and taken private
- adding 3 comparators that met the multi-dimensional criteria discussed above.

The table on the next page shows the 20 companies in the final 2023 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.

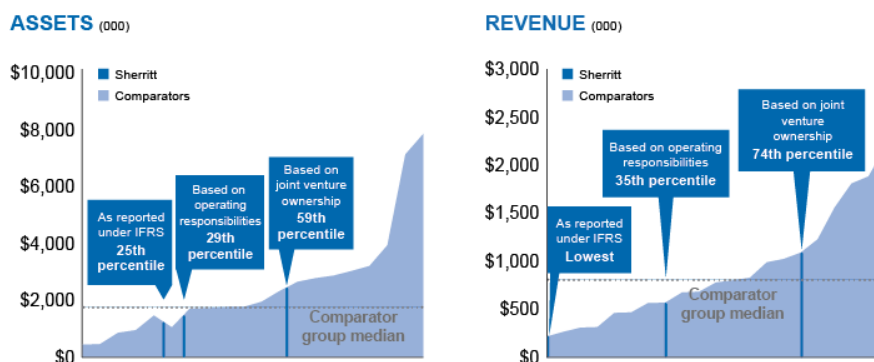
It also includes the following information that the Committee believes is relevant context for interpreting the comparator group data:

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)

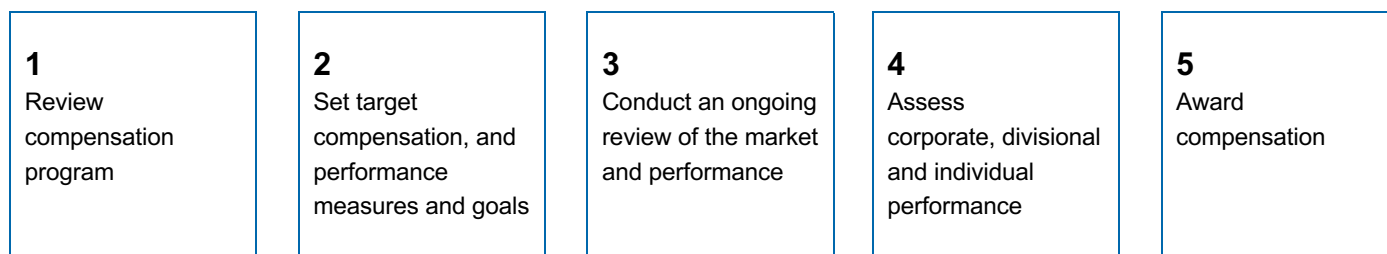


All financial data is sourced from S&P Capital IQ, as reported by each company as of December 31, 2023, and is shown in Canadian dollars. Assets represent the last quarterly disclosure, revenue reflects the trailing twelve months, and enterprise value is measured as at December 31, 2023 or the latest 2023 results publicly available at the time of printing of this Management Information Circular.

| (\$millions) | Assets | Revenue | Enterprise value |
|---|-----------------|-----------------|------------------|
| 5N Plus Inc. | \$459 | \$322 | \$481 |
| Arcadium Lithium plc | \$3,194 | \$1,245 | \$4,453 |
| Argonaut Gold Inc. | \$1,944 | \$477 | \$907 |
| Aris Mining Corporation | \$1,726 | \$576 | \$820 |
| Calibre Mining Corp | \$1,045 | \$694 | \$526 |
| Capstone Copper Corp. | \$7,824 | \$1,831 | \$6,501 |
| Dundee Precious Metals Inc. | \$1,704 | \$687 | \$796 |
| Enerplus Corporation | \$2,858 | \$2,213 | \$4,436 |
| Ero Copper Corp. | \$1,761 | \$579 | \$2,618 |
| First Majestic Silver Corp. | \$2,641 | \$791 | \$2,416 |
| Fortuna Silver Mines Inc. | \$2,769 | \$1,004 | \$1,874 |
| Frontera Energy Corporation | \$3,922 | \$1,578 | \$1,150 |
| Gran Tierra Energy Inc. | \$1,752 | \$841 | \$932 |
| Hudbay Minerals Inc. | \$7,103 | \$1,906 | \$4,373 |
| Neo Performance Materials Inc. | \$854 | \$814 | \$215 |
| New Gold Inc. | \$3,019 | \$1,039 | \$1,611 |
| Sierra Metals Inc. | \$440 | \$317 | \$303 |
| Silvercorp Metals Inc. | \$950 | \$273 | \$472 |
| Taseko Mines Limited | \$1,460 | \$472 | \$1,094 |
| Torex Gold Resources Inc. | \$2,319 | \$1,105 | \$1,001 |
| Peer group median | \$1,853 | \$803 | \$1,047 |
| Sherritt International Corp | | | |
| As reported under IFRS and excluding Oil and Gas, given its non-core operating activities | \$1,391 | \$223 | \$356 |
| | 25th percentile | Lowest | 7th percentile |
| Based on ownership interest in the Moa Joint Venture (on a 100% basis) | \$1,573 | \$653 | |
| | 29th percentile | 35th percentile | |
| Based on our operating responsibilities | \$2,403 | \$1,108 | |
| | 59th percentile | 74th 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 38 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>Key changes in 2021 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"> • Defined a new comparator group for compensation benchmarking, to align with our restructured business and strategy. • Adjusted the measures and weightings for 2021 short-term incentive awards to align with the 2021 business plan. • 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 & Gas and Power from 2:1 to 1:2 (respectively), to reflect the shift in the business mix. | <p>Key changes in 2022 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"> • Adjusted the measures of the 2022 short-term incentive awards to align with the 2022 business plan including adding specific Metals expansion project measurements. • Adjusted the internal performance criteria for payouts of PSUs awarded in 2022, to reflect Metals expansion project measurements. • 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. • Consolidated short-term incentive performance measures for Oil & Gas and Power into one division. | <p>Key changes for 2023 Implemented 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"> • Adjusted 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. • Removed the internal performance criteria for payouts of PSUs awarded in 2023 to now be based 100% on relative total shareholder return. • Re-introduced stock options for the senior executive team. 2023 equity grants granted as 50% PSUs, 25% RSUs and 25% stock options. | <p>Plans for 2024 Introduce a limit on annual stock option grants</p> <ul style="list-style-type: none"> • Will be limited to 1% of outstanding shares to limit dilution impact during lower priced periods with the balance, if any, allocated to PSUs. • One year post-retirement holding period will apply to all executives (currently only applies to CEO). |
|--|--|---|--|

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.

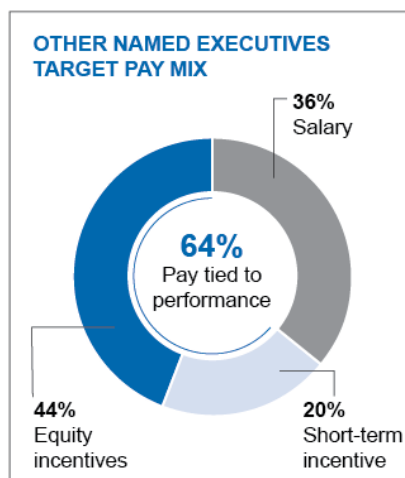
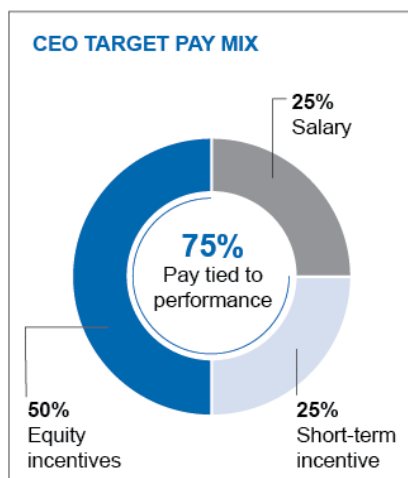
COMPENSATION COMPONENTS

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.

| | | | |
|--------------------------------|--|--------------------------------|--|
| Fixed pay | Salary See page 56 | Cash | Salary is based on the executive's role, skills and capabilities, and reviewed every year |
| Pay tied to performance | Short-term Incentive See page 56 | Cash | Annual cash bonus depends on corporate, divisional and individual performance |
| | Equity incentives See page 61 | 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 | 10-year term for current outstanding options, 7-year term for any new options granted after 2022. Vests over three years starting on the first anniversary of the grant. |
| Benefits | Retirement savings See page 78 | Group retirement savings plan | We contribute a fixed percentage of the executive's salary to a retirement savings program, in line with market practice |
| | Employee share ownership plan See page 48 | Voluntary share ownership plan | Encourages employee share ownership by matching 50% of employee contributions, up to \$2,500 per year. |
| | Other benefits and perquisites See page 73 | 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 2023 target total direct compensation mix (based on target performance). The 2023 equity incentive is 50% PSUs, 25% RSUs and 25% stock options for all named executives.



2023 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.

| | 2022 | 2023 |
|----------------|-----------|-----------|
| Leon Binedell | \$605,000 | \$695,000 |
| Yasmin Gabriel | \$350,000 | \$380,000 |
| Greg Honig | \$325,000 | \$350,000 |
| 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 52 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 and annual 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 200 percent for those who exceed expectations. See the profiles of our named executives beginning on page 65 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 52 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 79 for more information about termination).

2023 short-term incentive awards

The table below shows the 2023 short-term incentive award for each named executive. Payouts ranged from 22% to 104% 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 it was appropriate to apply discretion to adjust the award for the CEO from the calculated amounts for 2023. Due to the two fatalities that occurred in 2023, the CEO operational score was adjusted to zero, otherwise the score would have been 48 and aligned with other corporate executives whose awards are based on calculated amounts aligned with the achievements of 2023 (see below).

| | Salary | x | Short-term incentive target | x | 2023 short-term incentive score Organizational scores 0 – 200 | | | = | 2023 short-term incentive award | |
|----------------|-----------|---|-----------------------------|---|--|--------------------------|-------------------------|--------|---------------------------------|-----------|
| | | | | | Corporate (page 57) | Operational (page 58) | Individual (page 65) | | | |
| Leon Binedell | \$672,500 | x | 100% | x | [0 x 30% + 0 x 50% | + 110 x 20%] | = | 22.0% | = | \$147,950 |
| Yasmin Gabriel | \$372,500 | x | 60% | x | [0 x 20% + 48 x 50% | + 110 x 30%] | = | 57.0% | = | \$127,395 |
| Greg Honig | \$343,750 | x | 60% | x | [0 x 20% + 48 x 50% | + 110 x 30%] | = | 57.0% | = | \$117,563 |
| Elvin Saruk | \$380,000 | x | 60% | x | [0 x 20% + 124 x 50% | + 140 x 30%] | = | 104.0% | = | \$237,120 |
| Ward Sellers | \$375,000 | x | 50% | x | [0 x 20% + 48 x 50% | + 110 x 30%] | = | 57.0% | = | \$106,875 |

2023 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, and there are threshold and maximum performance levels for each measure. 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.

2023 corporate performance score

Corporate performance in 2023 was measured against one financial metric linked to our strategy. The score for performance between threshold and target, and target and maximum, are calculated on a straight-line basis. The performance score is capped at 200%. Performance below threshold receives a score of zero.

Adjusted EBITDA

2023 adjusted EBITDA was \$46.2 million, below the minimum threshold of \$60.1 million, resulting in a score of 0.

Corporate performance

Target = 100
Threshold: 50
Maximum = 200

Link to strategy:

- Preserve liquidity and build balance sheet strength

Adjusted EBITDA (100%)

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

Corporate score

=
0

FINANCIAL

| | THRESHOLD | TARGET | MAX |
|------------------------------|-----------|---------|---------|
| Adjusted EBITDA (\$millions) | \$60.1 | \$120.1 | \$180.2 |
| | \$46.2 | | |

2023 operational performance scores

Operational performance in 2023 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 |
|--|--|--|
| Threshold = 50 Target = 100 Maximum = 200 Link to strategy: <ul style="list-style-type: none"> • Achieve peer-leading performance in safety and sustainability. Environmental health performance acts as an overall modifier to the safety scores | Threshold: 50 Target = 100 Maximum = 200 Link to strategy: <ul style="list-style-type: none"> • Optimize metals businesses to maintain a leadership position as a low-cost producer of finished nickel and cobalt while maximizing free cash flow • Further reduce net direct cash costs¹ towards the goal of being consistently in the lowest cost quartile • Optimize opportunities in our Cuban energy business | Threshold: 50 Target = 100 Maximum = 200 Link to strategy: <ul style="list-style-type: none"> • Key 2023 milestones necessary for the achievement of the strategic plan |

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"> • Metals, Oil & Gas and Power: 25% • Technologies (leading measure only): 15% | High severity environmental incidents Impact: <ul style="list-style-type: none"> • Overall modifier of safety scores | Annual production volume/production GWh Weighting: <ul style="list-style-type: none"> • Metals (Nickel production volume) 30% • OGP (production GWh) 25% | Weighting: <ul style="list-style-type: none"> • Metals: unit cost of production¹ 25% • Oil & Gas and Power: operating cost (\$/GWh) 20% | Our performance in executing the 2023 plans aligned with our strategy Weighting: <ul style="list-style-type: none"> • Metals 20% • Oil & Gas and Power: 30% • Technologies: 85% | | | | | | |
| Metals | 0 x 25% = 0 | x no incidents = 0 | + | 0 x 30% = 0 | + | 0 x 25% = 0 | + | 100 x 20% = 20 | = | 20 |
| Oil & Gas and Power | 40 x 25% = 10 | x no incidents = 0 | + | 200 x 25% = 50 | + | 133 x 20% = 26 | + | 125 x 30% = 38 | = | 124 |
| Technologies | 135 x 15% = 20 | | + | Development pipeline: | + | 133 x 15% = 20 | + | 90 x 70% = 63 | = | 103 |

¹ 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 59 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 2023 named executives:

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

Metals 20 x 70% = 14

Oil & Gas and Power 124 x 15% = 19

Technologies 103 x 15% = 15

Combined = 48

Operational score for corporate executives

Metals (operational score 20)

Safety is measured by leading indicators (execution of safety plan) and lagging indicators (total reportable incident frequency rate). Safety interactions achieved target, however the total reportable incident frequency rate was below threshold. Because the reportable incidents included two fatalities in 2023, the score for the overall safety measure was 0. There were no severe environmental incidents.

Production levels were below threshold, due primarily to lower mixed sulphides feed availability, reflecting lower ore grade, unplanned maintenance and sulphuric acid shipment delays at Moa Nickel. This resulted in a score of 0.

Unit cost of production¹ was below threshold due primarily to higher MPR costs, lower fertilizer sales volumes and higher maintenance costs. This resulted in a score of 0.

There were five qualitative strategic goals for 2023, all aligned with key milestones of the strategic plan with specific focus on organizational effectiveness. These were averaged, for a combined score of 100:

- Continuous improvement – below target, scored 88.
- Global supply chain – met, scored 100.
- Systems modernization – met, scored 125.
- Technologies support – met, scored 100
- Employee experience – below target, scored 88

¹ 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 124)

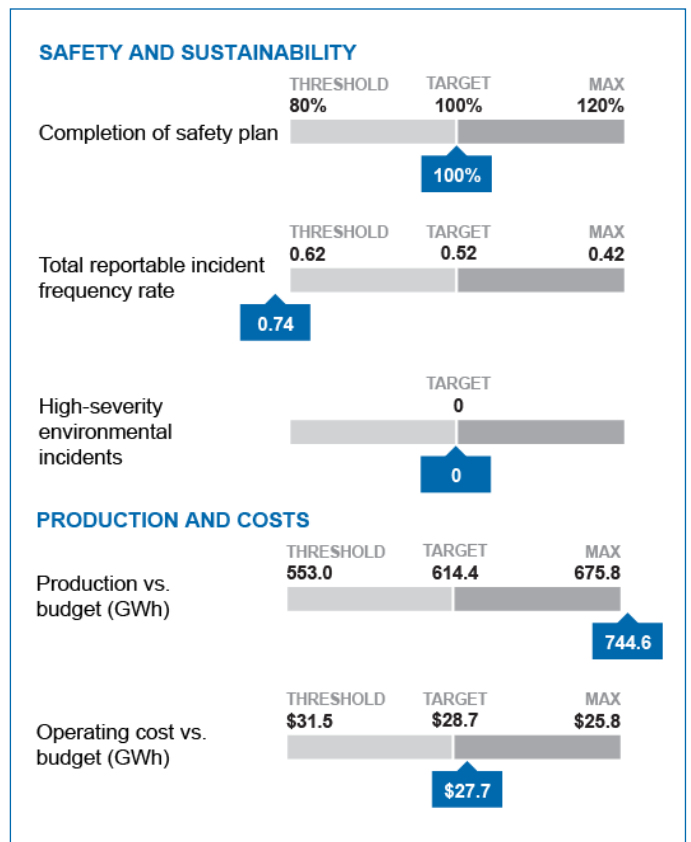
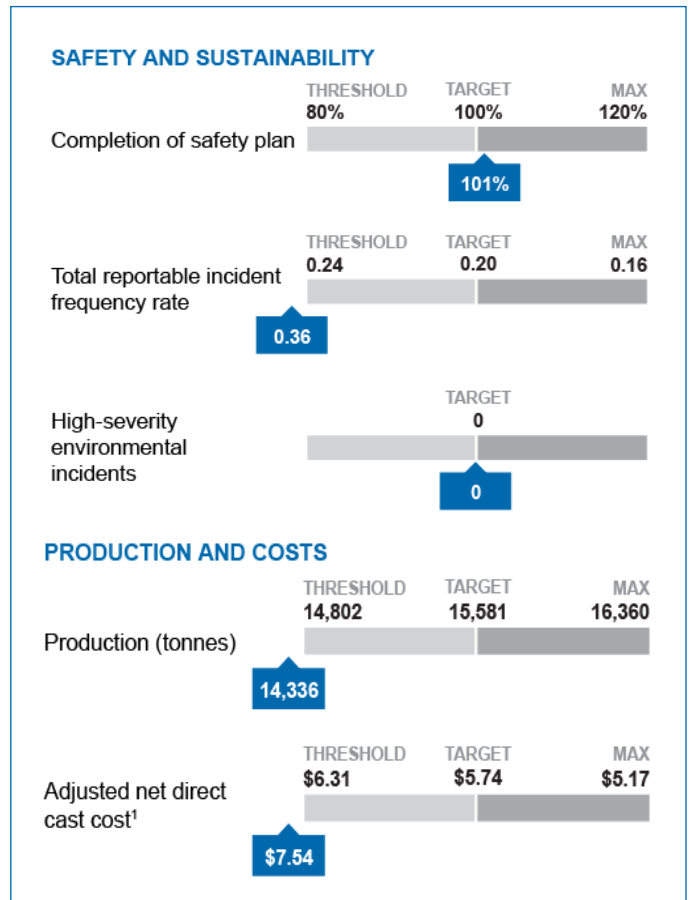
Safety is measured by leading indicators (execution of safety plan) and lagging indicators (total reportable incident frequency rate). Safety plan was executed on target and total reportable incident frequency rate was below target, resulting in a safety score of 40. There were no severe environmental incidents, resulting in a score of 40.

Production (GWh) was above target, resulting in a score of 200.

Operating cost (\$/GWh) was above target, resulting in a score of 133.

The 2023 strategic goals for Oil & Gas and Power were combined. There were two qualitative strategic goals for 2023, aligned with key milestones of the strategic plan. These were averaged, for a combined score of 125:

- Execute PE Gas Project – above target, scored 135.
- Execute year 4 of the 5-year sustainability plan – project objectives were above target – scored 105



Technologies (operational score 103)

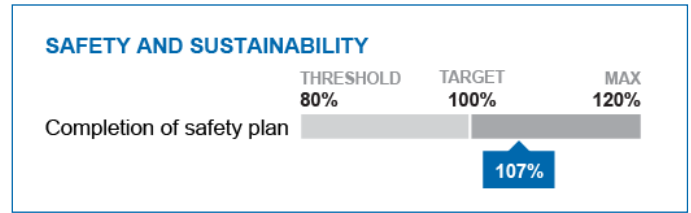
Safety is measured by the leading indicator of developing and implementing a site-wide safety plan. Above-target performance on the implementation of the safety plan resulted in a score of 135. While there is not a specific measure for the environment, due to the nature of Technologies (research, laboratory work), the Committee retains discretion should there be an environmental incident.

There were two qualitative development pipeline strategic goal for 2023, 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 200.
- Completion of ideas through the pipeline – met expectations, scored 100.

There were four qualitative strategic goals for 2023, aligned with key milestones of the strategic plan:

- Support Moa JV expansion – below target, scored 93.
- Support Moa JV marketing initiatives – met expectations, scored 100.
- Advance Technology Solutions – below target, scored 88.
- Value proposition plan – below target, scored 75.



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 52 for more about our decision-making process. Equity incentives are allocated to PSUs, RSUs and, for the first time since 2018, stock options. PSUs and RSUs are issued under our executive share unit plan, and stock options are issued under our executive stock option plan.

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 2023 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.

Stock options

Stock options provide holders the right to buy Sherritt common shares at some future date at a set price (exercise price).

Options are granted based on the closing price of Sherritt's common shares on the TSX based on the five-day volume weighted average price before the date of the grant and their fair value factor.

Options granted in 2023 vest 1/3 per year for the first three years after grant and expire at the end of seven years.

The value of an option when exercised is based on the difference between its exercise price and the market price of Sherritt common shares on the day the option is exercised.

The 2023 equity awards were allocated 50% to performance share units, 25% to restricted share units and 25% to stock options.

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 47 for more information about managing compensation risk.

RSUs, PSUs and options are forfeited if the executive resigns or is terminated for cause (see page 79 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.

2023 equity incentive awards

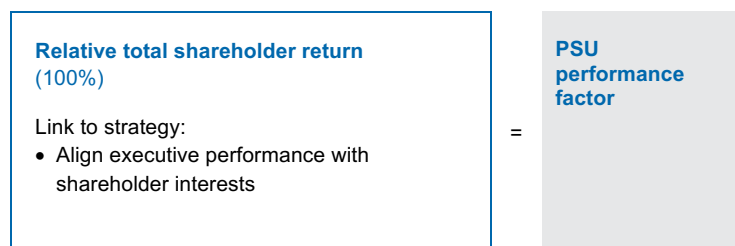
The table below shows the 2023 equity incentive awards for each named executive, and how they were allocated.

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). We calculated the number of stock options 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 multiplied by the Black Scholes value (rounded to the nearest whole unit).

| | | 2023 equity incentive awards | | | | | |
|----------------|-------------|------------------------------|-----------------|------------|---------------|---------------------|-------------------|
| | | Allocation | | | | | |
| | | PSUs (50%) | | RSUs (25%) | | Stock options (25%) | |
| Leon Binedell | \$1,390,000 | \$695,000 | 1,311,321 units | \$347,500 | 655,661 units | \$347,500 | 1,480,015 options |
| Yasmin Gabriel | \$475,000 | \$237,500 | 448,114 units | \$118,750 | 224,057 units | \$118,750 | 505,761 options |
| Greg Honig | \$350,000 | \$175,000 | 330,189 units | \$87,500 | 165,095 units | \$87,500 | 372,666 options |
| Elvin Saruk | \$485,000 | \$242,500 | 457,548 units | \$121,250 | 228,774 units | \$121,250 | 516,408 options |
| Ward Sellers | \$500,000 | \$250,000 | 471,699 units | \$125,000 | 235,850 units | \$125,000 | 532,380 options |

Performance conditions for the 2023 PSU awards

The 2023 PSU awards are scheduled to vest in 2026. The number of units that vest will depend on the PSU performance factor, which will be calculated using one metric – an external measure: TSR relative to our industries.



Relative total shareholder return (100%)

For 2023, the index used is the metals and mining index (S&P/TSX Metals and Mining Industry Index (Bloomberg: STMETLR)).

Performance will be assessed using the following performance scale. The score is capped at 100% if our TSR for the performance period is negative despite relative performance, 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 |
|---|--|--------------------------------------|-----------------------|--|
| If our relative total shareholder return is: | 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 |
| The performance score will be: | 0 | 50 | 100 | 200 |

Payout of the 2020 mid-term incentive awards

The 2020 mid-term incentives vested on February 28, 2023, and were paid out in cash. The mid-term incentive awards for the named executive officers consisted of 50% performance-based awards (PSUs) and 50% time vested awards (RSUs). 147% 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 394% 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).

| | 2020 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 | \$25,000 | \$0.16 | 192,969 | x | \$0.51 | = | \$98,414 | 394% |
| Elvin Saruk | \$485,000 | \$0.16 | 3,743,594 | x | \$0.51 | = | \$1,909,233 | 394% |
| Ward Sellers | \$500,000 | \$0.16 | 3,859,375 | x | \$0.51 | = | \$1,968,281 | 394% |

2020 Performance share unit performance factor

The percentage of 2020 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. 147% of the 2020 PSUs vested and were paid out.

| | | | | |
|---|---|--|---|---|
| Relative total shareholder return (50%) Score: 100 | + | Operational measure (50%) Score: 47 | = | PSU performance factor 147 |
|---|---|--|---|---|

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 March 9, 2020 to February 28, 2023, resulting in a combined weighted index of 186. The table below shows our TSR over the same period against the industries' performance. Our performance of 361 was more than 50 percentage points higher than the combined weighted index, resulting in a maximum score of 200 for this measure.

| | | | | |
|--|---|--|---|--|
| S&P/TSX Metals and Mining Industry Index (Bloomberg: STMETL) 124 x 80% | + | S&P/TSX Oil & Gas, Exploration & Production Industry Index (Bloomberg: STOILP) 435 x 20% | = | Combined weighted index 186 |
|--|---|--|---|--|

| | Minimum (score: 0) More than 40 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 |
|------------------------------------|--|---|--|--|
| Combined weighted TSR index | <161 | 161 | 186 | 236 |
| Sherritt TSR | | | | 361 |
| Score | | | | 200 |

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 97. This resulted in a performance score of 93 for this measure.

| | Performance indexed to target | | |
|-------------------------|-------------------------------|------|-----------|
| | 2021 | 2022 | 2023 |
| Metals | 100 | 99 | 90 |
| Technologies | 110 | 105 | 101 |
| OGP | 69 | 106 | 100 |
| Overall index to target | | | 97 |

| | 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 |
|--|--|---|----------------------------------|--|
| Sherritt weighted operational measure indexed to target | | | 97 | |
| Score | | | 93 | |

LEON BINEDELL

President & Chief Executive Officer

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.



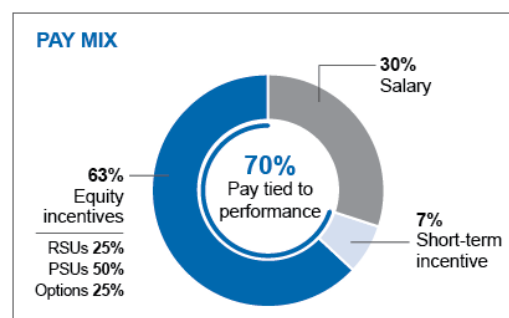
2023 Key results

- Led the development of various strategic opportunities for long-term growth in the critical minerals space.
- Successfully implemented the Cobalt Swap Agreement for conclusion of year 1.
- Assessed options and implemented critical solutions to effectively address financial challenges in the latter half of year given the unexpected collapse in nickel prices.
- Advanced government relations on various fronts to mitigate geopolitical risk
- Achieved highest levels of employee engagement in an otherwise challenging year for most in our organization.
- Expansion projects in Metals business on schedule and under budget and added a 30% increase to power production.
- Strengthened and expanded our relationship with senior Cuban leadership to explore strategic options.

2023 Compensation review

Leon was successful in delivering on his goals and the compensation decisions considered his achievements in 2023. The Human Resources Committee made an adjustment to the calculated short-term incentive formula, reducing his operational score from 48% to 0.

| | | 2022 Actual | 2023 Target | 2023 Actual |
|--|---------|--------------------|--------------------|--------------------|
| Salary (paid) | Cash | \$597,500 | \$672,500 | \$672,500 |
| Short-term incentive (paid) | Cash | \$842,475 | \$672,500 | \$147,950 |
| Equity incentives (awarded) ¹ | RSUs | \$605,000 | \$347,500 | \$347,500 |
| | PSUs | \$605,000 | \$695,000 | \$695,000 |
| | Options | - | \$347,500 | \$347,500 |
| Total direct compensation | | \$2,649,975 | \$2,735,000 | \$2,210,450 |
| Compared to target | | | | -19% |
| Compared to 2022 | | | | -17% |



¹ The amount he will actually receive will depend on our future share price and, for PSUs, our relative performance (see page 61).

Short-term incentive (see page 58)

Leon's 2023 short-term incentive award was approved in February 2024. It paid out at 22.0% of his target, based on corporate, operational and individual performance:

- Corporate financial score: 0 – because we were below the minimum threshold performance for adjusted EBITDA (see page 59).
- Operational score: 0 – Although the calculated operational score was 48%, the Human Resource Committee reduced this score to 0 (see page 60).
- Individual score: 110 – based on his individual achievements in 2023.

Equity incentives (see page 63)

Leon's 2023 equity incentive award was allocated 25% to RSUs, 50% to PSUs and 25% to stock options.

YASMIN GABRIEL

Chief Financial Officer

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.



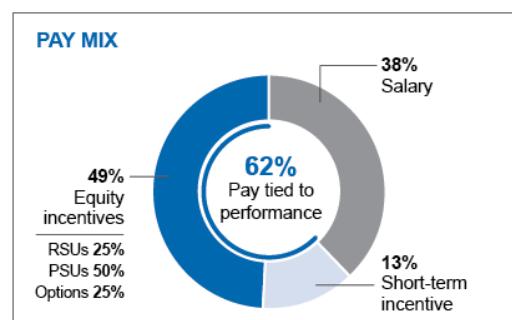
2023 Key results

- Amended the credit facility to extend its maturity to April 30, 2025 and added provisions to allow for an increase in the credit limit.
- Ensured Cobalt Swap Agreement effectiveness with full amount (US\$114 million) received by mid-year.
- Extended company guarantee for Spanish reclamation by 4 years, avoiding use of credit facility.
- Opportunistically repurchased \$11.2 million of principal of the PIK Notes at a ~30% discount.
- Active role engaging and gaining alignment with Moa Joint Venture partner on strategic initiatives including expansion plans, and implementing cash conservation and cost reduction measures.
- Maintained strong relationships with Senior Cuban government officials, significant shareholders and bond holders.

2023 Compensation review

Yasmin was successful in delivering on her goals and the compensation decisions considered her achievements in 2023. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

| | | 2022 Actual | 2023 Target | 2023 Actual |
|--|---------|------------------|--------------------|------------------|
| Salary (paid) | Cash | \$345,000 | \$372,500 | \$372,500 |
| Short-term incentive (paid) | Cash | \$285,660 | \$223,500 | \$127,395 |
| Equity incentives (awarded) ¹ | RSUs | \$175,000 | \$118,750 | \$118,750 |
| | PSUs | \$175,000 | \$237,500 | \$237,500 |
| | Options | - | \$118,750 | \$118,750 |
| Total direct compensation | | \$980,660 | \$1,071,000 | \$974,895 |
| Compared to target | | | | -9% |
| Compared to 2022 | | | | -1% |



¹ The amount she will actually receive will depend on our future share price and, for PSUs, our relative performance (see page 61).

Short-term incentive (see page 58)

Yasmin's 2023 short-term incentive award was approved in February 2024. It paid out at 57.0% of her combined target, based on corporate, operational and individual performance:

- Corporate financial score: 0 – because we were below the minimum threshold performance for adjusted EBITDA (see page 59).
- Operational score: 48 – a blend of results from Metals, Oil & Gas and Power and Technologies (see page 60).
- Individual score: 110 – based on her individual achievements in 2023.

Equity incentives (see page 63)

Yasmin's 2023 equity incentive award was allocated 25% to RSUs, 50% to PSUs and 25% to stock options.

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.



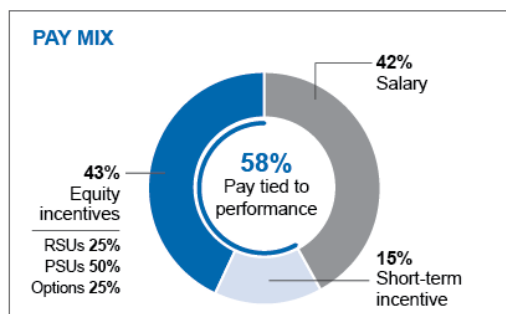
2023 Key results

- Leadership and coordination of corporate strategic planning.
- Led Technologies efforts to deliver updated Moa JV NI 43-101, support expansion and ECOG implementation, and leverage technologies for commercial opportunities for Sherritt.
- Active leadership with Marketing to address difficult sale environment, including strategies covering sales from warehouse, cobalt inventory reduction, and future MSP sales.
- Led business development activities with OEMs, M&A candidates, and other parties.
- Active leadership with Sustainability function to improve external reporting quality and timelines, and complete baseline GHG analysis and climate risk & opportunity assessments.
- Key member of senior management team and contributor to successful delivery of 2023 strategic priorities.

2023 Compensation review

Greg was successful in delivering on his goals and the compensation decisions considered his achievements in 2023. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

| | | 2022 Actual | 2023 Target | 2023 Actual |
|--|---------|------------------|------------------|------------------|
| Salary (paid) | Cash | \$325,000 | \$343,750 | \$343,750 |
| Short-term incentive (paid) | Cash | \$248,625 | \$206,250 | \$117,563 |
| Equity incentives (awarded) ¹ | RSUs | \$162,500 | \$87,500 | \$87,500 |
| | PSUs | \$162,500 | \$175,000 | \$175,000 |
| | Options | - | \$87,500 | \$87,500 |
| Total direct compensation | | \$898,625 | \$900,000 | \$811,313 |
| Compared to target | | | | -10% |
| Compared to 2022 | | | | -10% |



¹ The amount he will actually receive will depend on our future share price and, for PSUs, our relative performance (see page 61).

Short-term incentive (see page 58)

Greg's 2023 short-term incentive award was approved in February 2024. It paid out at 57.0% of his target, based on corporate, operational and individual performance:

- Corporate financial score: 0 – because we were below the minimum threshold performance for adjusted EBITDA (see page 59).
- Operational score: 48 – a blend of results from Metals, Oil & Gas and Power and Technologies (see page 60).
- Individual score: 110 – based on his individual achievements in 2023.

Equity incentives (see page 63)

Greg's 2023 equity incentive award was allocated 25% to RSUs, 50% to PSUs and 25% to stock options.

ELVIN SARUK

SVP, OGP & Head of Growth Projects¹

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.



2023 Key results

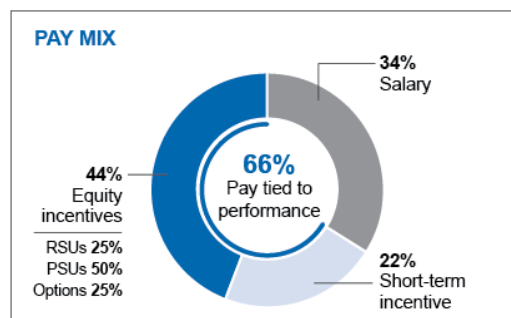
- Oversaw the SPP mechanical completion, achieving completion under budget.
- Successfully completed Phase 1 of Area 22, ensuring tailings continuity.
- Proactively engaged with the Cuban partners to identify areas for optimizing Moa operations and enhancing the efficiency and effectiveness of the Joint Venture.
- Successfully drilled two gas wells below budget, bringing them into production and enhancing gas availability for increased electricity production.
- Secured Ministry/Energas approval to leverage 2024 Moa Swap excess liquidity for additional well drilling.

¹ In January 2024, Elvin Saruk was appointed as Chief Operating Officer

2023 Compensation review

Elvin was successful in delivering on his goals and the compensation decisions considered his achievements in 2023. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

| | | 2022 Actual | 2023 Target | 2023 Actual |
|--|---------|--------------------|--------------------|--------------------|
| Salary (paid) | Cash | \$380,000 | \$380,000 | \$380,000 |
| Short-term incentive (paid) | Cash | \$302,100 | \$228,000 | \$237,120 |
| Equity incentives (awarded) ¹ | RSUs | \$242,500 | \$121,250 | \$121,250 |
| | PSUs | \$242,500 | \$242,500 | \$242,500 |
| | Options | - | \$121,250 | \$121,250 |
| Total direct compensation | | \$1,167,100 | \$1,093,000 | \$1,102,120 |
| Compared to target | | | | +1% |
| Compared to 2022 | | | | -6% |



¹ The amount he will actually receive will depend on our future share price and, for PSUs, our relative performance (see page 61).

Short-term incentive (see page 58)

Elvin's 2023 short-term incentive award was approved and paid in February 2024. It paid out at 104.0% of his target, based on corporate, divisional and individual performance:

- Corporate financial score: 0 – because we were below the minimum threshold performance for adjusted EBITDA (see page 59).
- Divisional score: 124 – Oil & Gas and Power performance (see page 60).
- Individual score: 140 – based on his individual achievements in 2023.

Equity incentives (see page 63)

Elvin's 2023 equity incentive award was allocated 25% to RSUs, 50% to PSUs and 25% to stock options.

WARD SELLERS

SVP, General Counsel and Corporate Secretary

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.



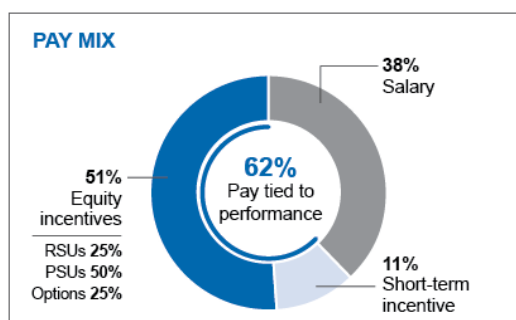
2023 Key results

- Integral leadership role in the execution of key strategic corporate initiatives.
- Ongoing support for key strategic operational expansion initiatives, including oversight of the finalization and filing of the updated NI 43-101 Technical Report.
- Proactive strategic management of ongoing Helms-Burton and embargo risks.
- Integral leadership role in execution of Sherritt public company compliance, including the Annual Information Form and the Management Information Circular and Board succession efforts.

2023 Compensation review

Ward was successful in delivering on his goals and the compensation decisions considered his achievements in 2023. The Human Resources Committee did not make any adjustments to the calculated short-term incentive formula. Equity incentives were awarded at target.

| | | 2022 Actual | 2023 Target | 2023 Actual |
|--|---------|--------------------|--------------------|------------------|
| Salary (paid) | Cash | \$375,000 | \$375,000 | \$375,000 |
| Short-term incentive (paid) | Cash | \$241,875 | \$187,500 | \$106,875 |
| Equity incentives (awarded) ¹ | RSUs | \$250,000 | \$125,000 | \$125,000 |
| | PSUs | \$250,000 | \$250,000 | \$250,000 |
| | Options | - | \$125,000 | \$125,000 |
| Total direct compensation | | \$1,116,875 | \$1,062,500 | \$981,875 |
| Compared to target | | | | -8% |
| Compared to 2022 | | | | -12% |



¹ The amount he will actually receive will depend on our future share price and, for PSUs, our relative performance (see page 61).

Short-term incentive (see page 58)

Ward's 2023 short-term incentive award was approved February 2024. It paid out at 57.0% of his target, based on corporate, operational and individual performance:

- Corporate financial score: 0 – because we were below the minimum threshold performance for adjusted EBITDA (see page 59).
- Operational score: 48 – a blend of results from Metals, Oil & Gas and Power and Technologies (see page 60).
- Individual score: 110 – based on his individual achievements in 2023.

Equity incentives (see page 63)

Ward's 2023 equity incentive award was allocated 25% to RSUs, 50% to PSUs and 25% to stock options.

SHARE PERFORMANCE AND EXECUTIVE COMPENSATION

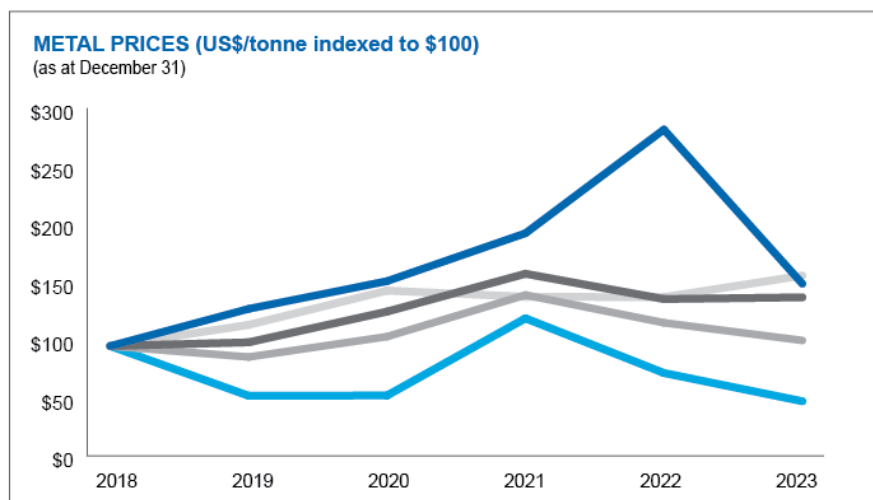
Understanding the impact of metal prices

A resource company's share price is significantly influenced by the price of the metal it produces. Over the past five years, Sherritt's share price, like many of its peers, was influenced by metal price volatility, due to overarching market influencing factors including geopolitical events and the COVID-19 pandemic. The graph below shows year-end metal prices over the last five years in US\$/tonne indexed to \$100 to provide a meaningful comparison. The metals below are those produced by the companies in Sherritt's comparator group. The volatility of nickel and cobalt prices compared to the metals produced by the companies in the comparator group, provides context for Sherritt's share performance. Understanding nickel and cobalt prices over the preceding five-year period as detailed below, provides further background for Sherritt's share performance over the period.

Throughout the five-year period from January 1, 2019 to December 31, 2023, nickel prices ranged from a low of US\$4.74/lb¹ in January 2019 to a high of US\$15.47/lb in April 2022, excluding March 2022 when the price of nickel on the LME increased on short selling related activity resulting in an unprecedented price spike. During the same period, cobalt prices ranged from a low of US\$12.43/lb² in July 2019 to a high of US\$39.90/lb in May 2022. Over the five-year period from January 1, 2019 to December 31, 2023, nickel price increased 54% from US\$4.81/lb to US\$7.39/lb. Over the same period, cobalt price decreased 48% from US\$27.25/lb to US\$14.25/lb.

During 2023, nickel prices were impacted by global macroeconomic factors, including energy-related challenges in Europe, lower growth expectations in China, and interest rate policies impacting the dollar in the U.S. As well, a significant increase in production of nickel-matte, intermediate products, and chemicals by Chinese influenced producers operating in Indonesia, contributed to a near to mid-term supply surplus putting continued pressure on prices. As a result, over the course of 2023, nickel prices declined 48%, from US\$14.15/lb to US\$7.39/lb. The average reference price for nickel in 2023 was US\$9.74/lb compared to US\$11.61/lb in 2022.

For cobalt prices in 2023, despite intermittent price supportive actions from major producers like Glencore and opportunistic buying interventions by the China state-owned Strategic Reserve Bureau, the release of held-up cobalt-hydroxide inventory from recently approved exports from the Democratic Republic of the Congo, resolution of some of the logistics issues in South Africa and easing of labour strike action in the latter part of the year contributed to the current supply surplus. As a result, over the course of 2023, cobalt prices declined 32%, from US\$20.90/lb to US\$14.25/lb.



| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-------|-------|-------|-------|-------|-------|
| ■ Nickel | \$100 | \$132 | \$156 | \$197 | \$287 | \$154 |
| ■ Copper | \$100 | \$103 | \$130 | \$162 | \$141 | \$142 |
| ■ Zinc | \$100 | \$91 | \$108 | \$144 | \$120 | \$105 |
| ■ Gold | \$100 | \$118 | \$148 | \$143 | \$142 | \$161 |
| ■ Cobalt | \$100 | \$57 | \$57 | \$124 | \$77 | \$52 |

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); thereafter, the average standard-grade cobalt published price per Argus Metals.

Share performance analysis

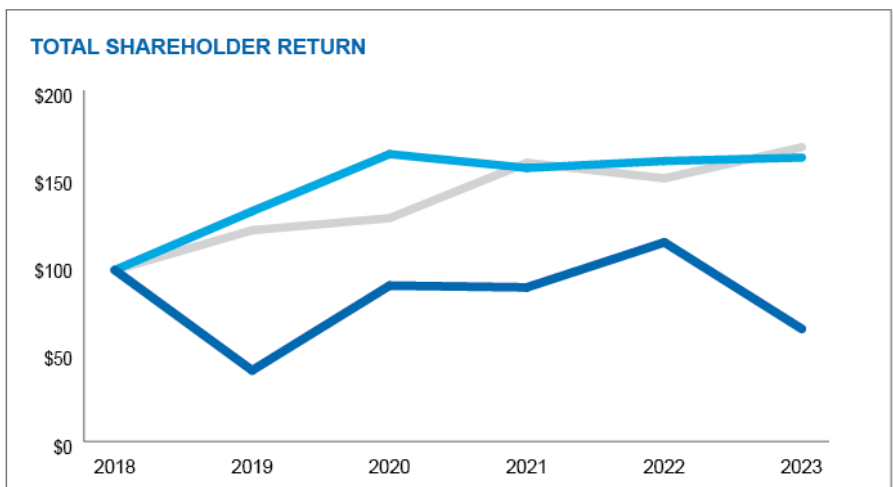
Beyond metal prices, Sherritt and other critical minerals producers have had share price fluctuations based on investor sentiment regarding the electric energy transition, security and availability of supply, and metal demand drivers, including; political and manufacturer electrification targets and incentives, evolving battery chemistries and general market conditions. Inflationary pressures, interest rate expectations, currency fluctuations and electric vehicle EV demand, have been additional factors impacting share prices.

For Sherritt, in the years leading up to 2021, the volatility of nickel and cobalt prices and the ongoing funding requirements for the Ambatovy JV required a focus on preserving liquidity and building balance sheet strength. In the third quarter of 2020, without dilution to shareholders, Sherritt successfully restructured and reduced its 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 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, Sherritt repurchased approximately \$150 million in principal (35% of outstanding principal) of its secured second lien and junior notes at a discount. Additionally, Sherritt finalized an agreement with its Cuban partners to recover \$368 million of legacy Cuban receivables over five years beginning January 1, 2023 (the Cobalt Swap). The Moa JV also embarked on a low capital intensity expansion program at the mine to increase annual MSP production of contained nickel and cobalt when completed in 2024. With these positive drivers, Sherritt ended 2022 with a share price of \$0.52.

In 2023, with the challenging market environment for nickel and cobalt prices which declined 48% and 32%, respectively and a number of operational setbacks that occurred, Sherritt's share price decreased from \$0.52 at the start of the year to \$0.30 at the end of the year. This was despite Sherritt successfully completing the first year of the Cobalt Swap, delivering a National Instrument 43-101 Technical Report for the Moa JV which outlined an extension of the mine life to 2048 based on current mineral reserves, completing phase one of the Moa JV expansion on time and under budget, and achieving growth in the Power division with electricity production exceeding guidance that was increased during the year with strong results driven by additional gas from two gas wells that went into production during the second quarter of 2023 and improved equipment availability. Sherritt's successful completion of a number of initiatives in 2023 is set to drive stronger results in the years ahead and despite the current market conditions nickel and cobalt, mid to longer-term expectations from market participants continue to forecast supply deficits driven by the energy transition.



| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|-------|-------|-------|-------|-------|-------|
| Sherritt | \$100 | \$42 | \$91 | \$90 | \$116 | \$66 |
| S&P/TSX Metals and Mining Index | \$100 | \$134 | \$167 | \$159 | \$163 | \$165 |
| S&P/TSX Composite Index | \$100 | \$123 | \$130 | \$162 | \$153 | \$171 |

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); thereafter, the average standard-grade cobalt published price per Argus Metals.

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 |
|-----------------------------------|------|-----------|--------------------|---------------------|------------------|---------------|------------------------|--------------------|
| Leon Binedell CEO | 2023 | \$672,500 | \$1,042,500 | \$347,500 | \$147,950 | n/a | \$128,719 | \$2,339,169 |
| | 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 |
| Yasmin Gabriel CFO | 2023 | \$372,500 | \$356,250 | \$118,750 | \$127,395 | n/a | \$93,872 | \$1,068,767 |
| | 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 |
| Greg Honig CCO | 2023 | \$343,750 | \$262,500 | \$87,500 | \$117,563 | n/a | \$90,369 | \$901,682 |
| | 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 |
| Elvin Saruk SVP, OGP | 2023 | \$380,000 | \$363,750 | \$121,250 | \$237,120 | n/a | \$187,805 | \$1,289,925 |
| | 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 |
| Ward Sellers SVP, Legal | 2023 | \$375,000 | \$375,000 | \$125,000 | \$106,875 | n/a | \$188,228 | \$1,170,103 |
| | 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 |

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 \$0.53 (2023), \$0.60 (2022), and \$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, 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 reintroduced in 2023. For options awarded prior to 2018 and in 2023 (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 irrevocably and unconditionally forfeited his entitlement to 10% of his short-term incentive and requests that the Corporation instead use the fund to support Diversity and Inclusion programs in the form of a scholarship fund. The forfeited bonus has since been allocated to the Indigenous and Women in Technology and Business scholarship programs that Sherritt has in place with the Northern Alberta Institute of Technology.

Elvin Saruk

Mr. Saruk was appointed Chief Operating Officer effective January 15, 2024. His 2023 salary and short-term incentive award reflect his tenure as SVP, OGP & Head of Growth Projects. His 2024 salary and short-term incentive award will reflect his tenure as prorated from his appointment date to December 31, 2024, as well as compensation earned and awarded for her time in her previous role as SVP, OGP & Head of Growth Project.

All other compensation

All other benefits and compensation in 2023. 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) | \$80,700 | \$44,700 | \$41,250 | \$45,600 | \$45,000 |
| Employee share ownership plan (see page 50) | \$2,500 | \$2,500 | \$2,500 | \$0 | \$2,500 |
| Other benefits and perquisites (see page 57) | \$45,519 | \$46,672 | \$46,619 | \$142,205 | \$140,728 |
| – Health benefits | \$13,519 | \$11,222 | \$10,844 | \$5,871 | \$11,976 |
| – Perquisite allowance | \$32,000 | \$32,000 | \$32,000 | \$32,000 | \$32,000 |
| – Helm-Burton allowance | \$0 | \$0 | \$0 | \$95,000 | \$93,750 |
| – Sign-on or other ad hoc payments | \$0 | \$0 | \$0 | \$2,404 | \$1,077 |
| – Other (parking, executive medicals and other taxable benefits) | \$0 | \$3,450 | \$3,775 | \$6,930 | \$1,926 |
| Total | \$128,719 | \$93,872 | \$90,369 | \$187,805 | \$188,228 |

Helms Burton allowance

Elvin Saruk and Ward Sellers are 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. 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.

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, 2023. 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 \$0.30 (the closing price of our shares on the TSX on December 31, 2023). None of the options were in-the-money on December 31, 2023, 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 \$0.30 (the closing price of our shares on the TSX on December 31, 2023). Vesting assumptions:

- RSUs granted in 2021, 2022 and 2023: assumes 100% of the units vest
- PSUs granted in 2021, 2022 and 2023: 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 | \$186,343 |
| | | - | - | - | - | PSUs | 621,142 | \$186,343 |
| | 2022 | - | - | - | - | RSUs | 1,008,334 | \$302,500 |
| | | - | - | - | - | PSUs | 1,008,334 | \$302,500 |
| | 2023 | 1,480,015 | \$0.53 | February 21, 2030 | \$0 | RSUs | 655,661 | \$196,698 |
| | | - | - | - | - | PSUs | 1,311,321 | \$393,396 |
| Total | 1,480,015 | - | - | \$0 | | 5,225,934 | \$1,567,780 | |
| Yasmin Gabriel | 2021 | - | - | - | - | RSUs | 170,521 | \$51,156 |
| | | - | - | - | - | PSUs | 170,521 | \$51,156 |
| | 2022 | - | - | - | - | RSUs | 291,667 | \$87,500 |
| | | - | - | - | - | PSUs | 291,667 | \$87,500 |
| | 2023 | 505,761 | \$0.53 | February 21, 2030 | \$0 | RSUs | 224,057 | \$67,217 |
| | | - | - | - | - | PSUs | 448,114 | \$134,434 |
| Total | 505,761 | - | - | \$0 | | 1,596,547 | \$478,964 | |
| Gregory Honig | 2021 | - | - | - | - | RSUs | 396,342 | \$118,903 |
| | | - | - | - | - | PSUs | 396,342 | \$118,903 |
| | 2022 | - | - | - | - | RSUs | 270,834 | \$81,250 |
| | | - | - | - | - | PSUs | 270,834 | \$81,250 |
| | 2023 | 372,666 | \$0.53 | February 21, 2030 | \$0 | RSUs | 165,095 | \$49,529 |
| | | - | - | - | - | PSUs | 330,189 | \$99,057 |
| Total | 372,666 | - | - | \$0 | | 1,829,636 | \$548,891 | |
| Elvin Saruk | 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 | - | - | - |
| | 2021 | - | - | - | - | RSUs | 373,077 | \$111,923 |
| | | - | - | - | - | PSUs | 373,077 | \$111,923 |
| | 2022 | - | - | - | - | RSUs | 404,167 | \$121,250 |
| | | - | - | - | - | PSUs | 404,167 | \$121,250 |
| | 2023 | 516,408 | \$0.53 | February 21, 2030 | \$0 | RSUs | 228,774 | \$68,632 |
| | | - | - | - | - | PSUs | 457,548 | \$137,264 |
| Total | 1,229,762 | - | - | \$0 | | 2,240,810 | \$672,243 | |

| | | 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 | 2015 | 150,000 | \$2.11 | March 13, 2025 | \$0 | - | - | - |
| Sellers | 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 | - | - | - |
| | 2021 | - | - | - | - | RSUs | 384,616 | \$115,385 |
| | | - | - | - | - | PSUs | 384,616 | \$115,385 |
| | 2022 | - | - | - | - | RSUs | 416,667 | \$125,000 |
| | | - | - | - | - | PSUs | 416,667 | \$125,000 |
| | 2023 | 532,380 | \$0.53 | February 21, 2030 | \$0 | RSUs | 235,850 | \$70,755 |
| | | - | - | - | - | PSUs | 471,699 | \$141,510 |
| Total | | 1,303,709 | | | \$0 | | 2,310,115 | \$693,035 |

Value vested or earned during the year

The table below shows:

- **Option-based awards:** No stock options vested in 2023. The last grant of options was in 2018, and all had vested by 2021. See page 79 for information about the stock option plan.
- **Share-based awards:** The payout value of the 2020 mid-term incentives that vested in 2023 – see page 65 for information about how we calculated the payout value.
- **Non-equity incentive plan compensation:** The value of the 2023 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 | \$147,950 |
| Yasmin Gabriel | \$0 | \$98,414 | \$127,395 |
| Greg Honig | \$0 | \$0 | \$117,563 |
| Elvin Saruk | \$0 | \$1,909,233 | \$237,120 |
| Ward Sellers | \$0 | \$1,968,281 | \$106,875 |

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, 2023. We are authorized to issue up to 17,500,000 shares (4.4% of the issued and outstanding shares as at December 31, 2023) 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 | 2,629,941 | 0.66% | \$1.29 | 4,282,796 | 1.08% | 6,912,737 | 1.74% |

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, 2014 and 2023. 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:

| | 2021 | 2022 | 2023 |
|--|--------------|--------------|--------------|
| Total number of options issued | – | – | 3,982,732 |
| Weighted average number of shares outstanding on December 31 | 397,288,680 | 397,288,680 | 397,288,680 |
| Burn rate | 0.00% | 0.00% | 1.00% |

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.

Grants under the stock option plan have been reintroduced in 2023 and no changes were made to the plan that required shareholder approval.

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>Death or Disability. 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>Resignation and Termination without Cause. 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>Retirement. 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>Termination with Cause. 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"> • The exercise price must not be lower than the market price of the Shares at the date of grant; • 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; • 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; • The exercise of Options with or without TSARs is subject to the Corporation's Insider Trading Policy. | |
| 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 2023. 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 | \$754,983 | \$854,810 |
| Ward Sellers | \$112,300 | \$124,875 |

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 ¹ |
|--------------------------|--|---|
| Salary | 24 months | 18 months |
| Short-term incentive | <ul style="list-style-type: none"> • 2x the annual short-term incentive target value, plus • a pro-rata annual incentive for the year of termination | <ul style="list-style-type: none"> • 1.5 x the annual short-term incentive target value, plus • a pro-rata annual incentive for the year of termination |
| 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 |

1 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"> • 1.5x (CFO, CCO), 2x (other named executives) base salary at date of termination • 1.5x (CFO, CCO), 2x (other named executives) annual incentive at target performance • 18 months (CFO, CCO), 24 months (other named executives) of retirement savings contributions • 18 months (CFO, CCO), 24 months (other named executives) of perquisite allowance • 18 months (CFO, CCO), 24 months (other named executives) of benefit premiums. | |
| 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. | |
| 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 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, 2023
- closing share price as at December 31, 2023 of \$0.30
- for retirement, termination without cause and change of control with termination, without cause or resignation with good reason, three months of Helms-Burton allowance for those identified under Title IV
- 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 | \$3,057,438 | \$1,036,674 | \$910,329 | \$1,431,692 | \$1,351,388 |
| 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 | \$4,625,218 | \$1,515,638 | \$1,459,219 | \$2,103,935 | \$2,044,423 |

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 2023 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 2023 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, 2023, dated February 7, 2023, which are included in Sherritt's [2023 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:

- Average-realized price: page 56.
- Unit operating cost/net direct cash cost (NDCC): page 58.
- Spending on capital: page 61.

For more information

Financial information for the year ended December 31, 2023 is provided in our 2023 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 2023 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](#) and [SEDAR+](#).

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 advisor,
Kingsdale Advisors

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1-437-561-5030

