

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

LI-CYCLE HOLDINGS CORP., *et al.*,

Debtors in Foreign Proceedings.

)
)
) Chapter 15
)
) Case No. 25-10991 (PB)
)
) (Jointly Administered)
)
)

**DECLARATION OF WILLIAM E. AZIZ IN SUPPORT OF
(I) MOTION FOR ENTRY OF AN ORDER RECOGNIZING
AND GIVING EFFECT TO THE CANADIAN COURT’S SALE AND
REALIZATION PROCESS ORDER, AND (II) MOTION FOR ENTRY OF AN
ORDER RECOGNIZING AND GIVING EFFECT TO THE CANADIAN COURT’S
AMENDED AND RESTATED INITIAL ORDER, INCLUDING DIP FINANCING**

I, William E. Aziz, pursuant to 28 U.S.C. § 1746, hereby declare under penalty of perjury as follows:

1. I am the Chief Restructuring Officer (the “CRO”) of Li-Cycle Holdings Corp (“Holdings”), and the duly authorized foreign representative (the “Foreign Representative”) in these Chapter 15 Cases.¹

2. I submit this declaration in support of the following motions which are being filed contemporaneously herewith: (I) motion for entry of an order recognizing and giving effect to the Canadian Court’s sale and realization process order (the “Sales Procedures Recognition Motion”) and (II) motion for entry of an order recognizing and giving effect to the Canadian Court’s amended and restated Initial Order, including DIP financing (the “A&RIO and DIP Recognition Motion” and, together with the Sales Procedures Recognition Motion, the “Recognition Motions”).

¹ Terms used herein but not defined herein shall have the meanings ascribed to them in the Verified Petition for Recognition of Foreign Main Proceeding under 11 U.S.C. §§ 1515 and 1517 and for Related Relief Pursuant to 11 U.S.C. §§ 105(a), 1507(a), 1519, 1520 and 1521, dated May 14, 2024 (the “Verified Petition,” (Dkt. No. 3)).

3. On May 16, 2025, I submitted to the Canadian Court, in my capacity as CRO, an affidavit (the “Comeback Affidavit”) in support of a motion by the CCAA Applicants seeking, among other things, (I) an order amending and restating the Initial Order to provide relief relating to the Canadian Proceedings, including the approval of a \$10.5 million debtor-in-possession credit facility, and (II) an order approving the sale and realization process for assets of the CCAA Applicants, including the Chapter 15 Debtors.

4. A true and correct copy of the Comeback Affidavit is attached hereto as **Exhibit A**. If called to testify, I could and would testify competently to the facts set forth herein and in the Comeback Affidavit.

Pursuant to 28 U.S.C. § 1746, I hereby declare under penalty of perjury under the laws of the United States of America that the information set forth above is true and correct to the best of my knowledge, information and belief.

Date: May 16, 2025
Oakville, Ontario Canada



William E. Aziz
Foreign Representative

Exhibit A

Comeback Affidavit

Court File No. CV-25-00743053-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN
OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO
LI-CYCLE HOLDINGS CORP., LI-CYCLE CORP., LI-CYCLE AMERICAS CORP.,
LI-CYCLE U.S. INC., LI-CYCLE INC. AND LI-CYCLE NORTH AMERICA HUB, INC.

Applicants

**AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn May 16, 2025)**

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Court File No. CV-25-00743053-00CL

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Applicants

**AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn May 16, 2025)**

I, William E. Aziz, of the Town of Oakville, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President of BlueTree Advisors Inc., which has been retained by Li-Cycle Holdings Corp. (“**Holdings**”) to provide my services as the Chief Restructuring Officer (“**CRO**”) of Li-Cycle.¹
2. My appointment as the CRO of Holdings was approved pursuant to the Initial Order granted by the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) on May 14, 2025, under the *Companies’ Creditors Arrangement Act* (“**CCAA**”). A copy of the Initial Order is attached hereto as **Exhibit “A”**.
3. As the CRO of Li-Cycle since May 1, 2025, I am familiar with the current operations, financial results and strategies of the Applicants. As such, I have personal knowledge of the

¹ For ease of reference, the Applicants and their subsidiaries will be collectively referred to herein as “**Li-Cycle**”.

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matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my knowledge and believe it to be true.

4. This affidavit is sworn in support of a motion by the Applicants pursuant to the CCAA seeking:

- (a) an order (the “**Amended and Restated Initial Order**”), substantially in the form of the draft order included at Tab 2 of the Motion Record, among other things:
 - (i) amending and restating the Initial Order to provide relief relating to these CCAA proceedings that was not reasonably required prior to the comeback hearing on May 22, 2025 (the “**Comeback Hearing**”), such as the right to file a plan of arrangement and pursue a restructuring, and powers of the Monitor relating thereto;
 - (ii) extending the Stay of Proceedings (as defined below) to July 7, 2025;
 - (iii) approving a \$10.5 million debtor-in-possession credit facility (the “**DIP Facility**”) from Glencore International AG (the “**DIP Lender**”) and authorizing the Applicants to borrow thereunder to finance their working capital requirements, support the operations of their European subsidiaries and other general corporate purposes, post-filing expenses and costs, and granting the DIP Lender a court-ordered charge (the “**DIP Lender’s Charge**”) as security for the Applicants’ indebtedness under the DIP Facility;

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- (iv) approving the Applicants' key employee retention plan (the "**KERP**") and granting the KERP Charge (as defined below); and
 - (v) authorizing the Applicants to pay certain pre-filing amounts owing to critical suppliers, with the consent of the Monitor and in accordance with the Budget (as defined in the DIP Term Sheet), to ensure ongoing supply.
- (b) an order approving the sale and realization process for the Applicants' assets (the "**Sale and Realization Process Order**"), substantially in the form of the draft order included at Tab 5 of the Motion Record, among other things:
- (i) approving a sale and investment solicitation process for the Property and Business of the Applicants (the "**SISP**");
 - (ii) authorizing the Applicants to implement the SISP, with the assistance of Alvarez & Marsal Canada Securities ULC (the "**Financial Advisor**") and supervised by Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**");
 - (iii) authorizing and approving the Applicants' execution of the equity and asset purchase agreement dated May 14, 2025 (the "**Stalking Horse Agreement**"), among all of the Applicants except Li-Cycle Inc. (the "**Sellers**") and Glencore Canada Corporation (the "**Stalking Horse Bidder**"), and approving the Stalking Horse Agreement solely for the

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purposes of acting as the stalking horse bid in the SISP (the “**Stalking Horse Bid**”);

- (iv) approving the payment of the Expense Reimbursement and Break Fee (as defined below) (collectively, the “**Bid Protections**”) to the Stalking Horse Bidder in the event that another transaction is selected as the Successful Bid in the SISP, and granting a court-ordered charge (the “**Bid Protections Charge**”) as security for payment of the Bid Protections;
- (v) approving the anticipated agreement (the “**Liquidation Agreement**”) between Holdings and Tiger Capital Group, LLC (the “**Liquidation Consultant**”) which will be addressed in a supplementary affidavit; and
- (vi) authorizing the Applicants to commence the Realization Process for the Liquidation Property, with the assistance of the Liquidation Consultant, which will be addressed in a supplementary affidavit.

5. All dollar references herein are U.S. dollars unless otherwise referenced.

6. The affidavit of Ajay Kochhar dated May 12, 2025 (the “**Kochhar Affidavit**”) was previously filed in support of the Initial Order application. The Kochhar Affidavit also addresses the following relief sought by the Applicants in the Amended and Restated Initial Order, which will not be addressed again herein to prevent duplication:

- (a) granting the Transaction Fee Charge in the maximum amount of \$1 million; and

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(b) increasing the Administration Charge from \$2 million to \$2.5 million.

7. The Kochhar Affidavit is included at Tab 2 of the Application Record dated May 12, 2025. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Kochhar Affidavit.

I. BACKGROUND AND STATUS OF THESE CCAA PROCEEDINGS

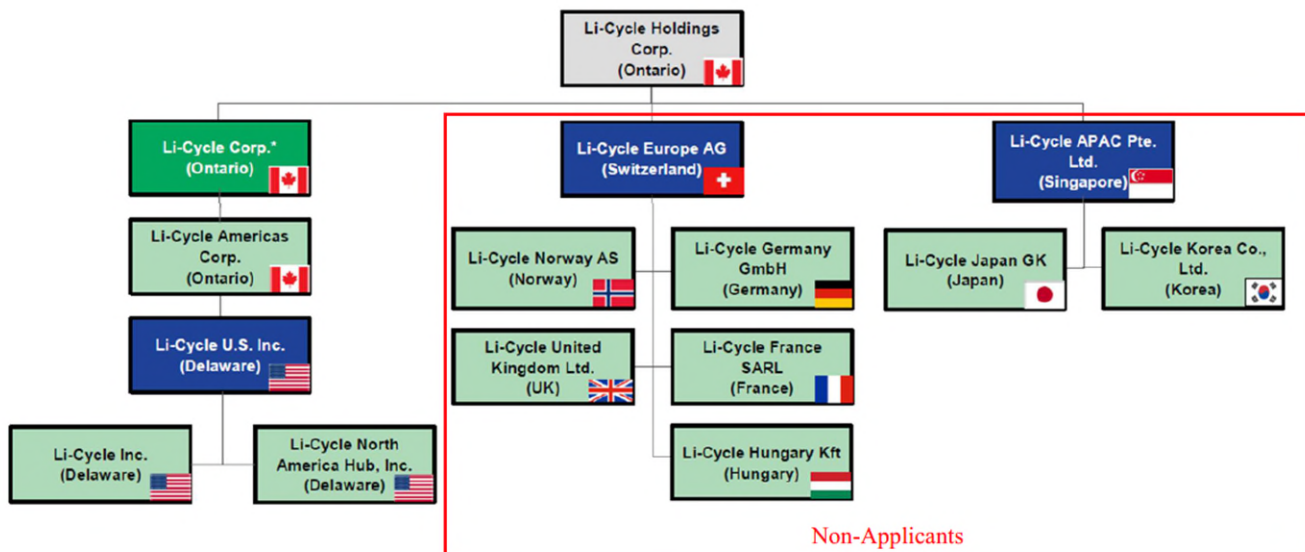
8. Li-Cycle is a global lithium-ion battery resource recovery company headquartered in Toronto, Ontario. Using its patent-protected Spoke & Hub Technologies™, Li-Cycle aims to recycle all different types of lithium-ion batteries, recovering critical battery-grade materials to create a closed-loop battery supply chain for a clean energy future.

9. Li-Cycle's "Spokes" are pre-processing facilities where Li-Cycle recycles battery manufacturing scrap and end-of-life batteries to produce, among other things, black mass containing valuable metals. Li-Cycle has one operating Spoke in Germany and four Spokes where operations are currently suspended in Ontario, New York, Arizona and Alabama.

10. Li-Cycle's planned "Hubs" are post-processing facilities where Li-Cycle would plan to process black mass to produce critical battery-grade materials which could then be used in the manufacture of batteries. Li-Cycle's first commercial Hub is partially constructed in Rochester, New York. Construction work on that Hub has been suspended since October 2023.

11. The Spokes and Hubs are managed from Li-Cycle's global head office in Toronto. The following is an organizational chart of the Applicants and their affiliates and a chart summarizing the key assets and operations of each Applicant:

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Entity	Short Name	Incorporated	Assets and Operations
Applicants			
Li-Cycle Holdings Corp.	“Holdings”	Ontario	Public holding company, holds cash
Li-Cycle Corp.	“Global HQ”	Ontario	Operates global head office in Toronto, owns IP
Li-Cycle Americas Corp.	“Canada SpokeCo”	Ontario	Spoke in Kingston, ON
Li-Cycle U.S. Inc.	“North America OpCo”	Delaware	Commercial entity that sources inputs for, and sells the output from, the Spokes and future Hubs in Canada and US
Li-Cycle Inc.	“US SpokeCo”	Delaware	Spokes in Rochester, NY, Gilbert AZ and Tuscaloosa, AB
Li-Cycle North America Hub, Inc.	“US HubCo”	Delaware	Hub in Rochester, NY
Material Non-Applicants			

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Entity	Short Name	Incorporated	Assets and Operations
Li-Cycle Europe AG	“ Europe Parent ”	Switzerland	Commercial entity that sources inputs for, and sells the output from, the Germany Spoke
Li-Cycle Germany GmbH	“ Germany SpokeCo ”	Germany	Spoke in Sülzetal, Germany

12. As a result of the numerous challenges that Li-Cycle encountered since the Fall of 2023 that severely strained its liquidity, which are described in detail in the Kochhar Affidavit, Li-Cycle determined that it was necessary and appropriate to commence these proceedings to obtain the breathing space necessary to maximize value for all of its stakeholders.

13. On May 14, 2025, the Honourable Justice Conway granted the Initial Order pursuant to the CCAA including, among other things:

- (a) granting a stay of proceedings until May 22, 2025 (the “**Stay Period**”);
- (b) appointing A&M as the Monitor;
- (c) approving my engagement as CRO and approving the engagements of (i) Michelle T. Faysal to act as interim chief financial officer, (ii) the Financial Advisor to assist with the SISP, and (iii) Maplebriar Holdings Inc. to provide the services of Mr. Kochhar to assist with the SISP;
- (d) authorizing the Applicants to continue to make Intercompany Advances to the other Applicants, with the consent of the Monitor;

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- (e) granting the following charges over the Property:
 - (i) the Administration Charge (to the maximum amount of \$2 million);
 - (ii) the Directors' Charge (to a maximum amount of \$450,000); and
 - (iii) the Intercompany Charge (to the maximum amount of \$1 million);
- (f) authorizing the Applicants to incur no further expenses for the duration of the Stay Period in relation to any Securities Filings that may be required by the Securities Provisions; and
- (g) appointing me as the foreign representative, including to obtain recognition of these proceedings and the Initial Order pursuant to Chapter 15 of the U.S. Bankruptcy Code.

14. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to stabilize the business and advance their restructuring objectives. In this regard, the Applicants have, with the assistance of the Monitor, among other things:

- (a) commenced the Chapter 15 Proceedings (as defined and detailed further below) and obtained an interim stay of proceedings in the United States;
- (b) issued a press release on May 14, 2025 announcing, among other things, the commencement of these CCAA proceedings, a copy of which is attached hereto as **Exhibit "B"**;
- (c) apprised all employees of the commencement of these CCAA proceedings;

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- (d) contacted suppliers, landlords, customers and other stakeholders to apprise them of the commencement of these CCAA proceedings;
- (e) worked with the Monitor to respond to inquiries from the above stakeholders regarding these CCAA proceedings;
- (f) assisted the Monitor in preparing and delivering notices to creditors and other stakeholders in accordance with the Initial Order;
- (g) served a copy of the Initial Order on plaintiffs' counsel in the New York Securities Action, the Ontario Securities Action and the New York Derivative Action;
- (h) negotiated and executed the Liquidation Agreement (as defined below); and
- (i) prepared materials in support of the within motion.

II. CHAPTER 15 PROCEEDINGS

15. Shortly after the Initial Order was granted on May 14, 2025, in my capacity as foreign representative of the Applicants, I filed a Verified Petition for recognition of the CCAA Proceedings under the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Court**") for Holdings, North America Opco, US SpokeCo and US HubCo (together, the "**Chapter 15 Debtors**") and a motion seeking emergency provisional relief (the "**Ex Parte Motion**").

16. Specifically, the Ex Parte Motion sought approval of an order:

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- (a) staying any act seeking to (a) assert control over, execute against, possess, or repossess any of the Chapter 15 Debtors' US assets; (b) alter, terminate or interfere with the Chapter 15 Debtors' business or contractual rights; or (c) commence or continue any U.S. litigation against the Chapter 15 Debtors between May 14, 2025 and the date of the hearing to consider the recognition of the CCAA Proceedings in the US Court (the "**Recognition Hearing**"); and
- (b) shortening the notice period required under the U.S. Bankruptcy Code for scheduling the Recognition Hearing.

17. On May 14, 2025, the U.S. Court granted the requested order (the "**Ex Parte U.S. Order**") granting provisional relief staying execution against the U.S. assets and business operations of the Chapter 15 Debtors and shortening the applicable notice period such that the Recognition Hearing will be held on May 23, 2025 at 11:00 a.m. (Eastern Time) in anticipation of seeking recognition of any orders approved by this Court at the Comeback Hearing on May 22, 2025.

18. The U.S. Court noted:

The Foreign Representative has demonstrated good cause to shorten the notice period applicable to the Verified Petition, in that a notice period longer than provided by this Order risks substantial harm to the Chapter 15 Debtors' ability to efficiently and successfully conduct the Canadian Proceedings.

19. A copy of the Ex Parte U.S. Order is attached hereto as **Exhibit "C"**.

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III. STAY EXTENSION

20. The Applicants are seeking an extension of the Stay Period to July 7, 2025. As detailed below, the SISP contemplates that the Applicants will seek approval of any Successful Bid(s) in the SISP by July 7, 2025. The Applicants are proposing to extend the Stay Period to the same date to maximize efficiency and preserve the resources of the Applicants and the Court. I do not believe that any creditor will be materially prejudiced by the proposed extension of the Stay Period.

21. I understand that the Monitor will be filing a cash flow forecast with its first report to the Court, to be filed, (the “**First Report**”), and that the cash flow forecast will demonstrate that, if the DIP Facility is approved, the Applicants are projected to have sufficient cash over the proposed extension of the Stay Period to enable the Applicants to meet their day-to-day obligations. I further understand that the Monitor supports the requested extension of the Stay Period and will provide further information in that regard in the First Report.

IV. DIP FACILITY

22. As detailed in the Kochhar Affidavit, on a consolidated basis the Applicants had approximately \$10.519 million in cash remaining as of the week ended May 9, 2025 and are expected to run out of cash imminently. Without additional financing, the Applicants would not have sufficient liquidity to pursue a value-maximizing outcome for their stakeholders in the SISP or undertake any other restructuring efforts.

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23. Accordingly, the Applicants and the DIP Lender entered into a DIP Term Sheet in respect of the DIP Facility on May 14, 2025 (the “**DIP Term Sheet**”), with Holdings as borrower and the other Applicants as guarantors. A copy of the DIP Term Sheet is attached hereto as **Exhibit “D”**.

24. The key terms of the DIP Term Sheet are summarized below. Capitalized terms used in the below table that are not otherwise defined herein have the meaning given to such terms in the DIP Term Sheet:

Summary of Key Terms of the DIP Term Sheet	
Agreement	DIP Term Sheet dated May 14, 2025
Borrower	Li-Cycle Holdings Corp.
Guarantors	Li-Cycle Corp. Li-Cycle Americas Corp. Li-Cycle U.S. Inc. Li-Cycle Inc. Li-Cycle North America Hub, Inc.
Lender	Glencore International AG
DIP Facility	<p>A non-amortizing multi-draw term loan debtor-in-possession credit facility in the aggregate principal amount of <u>\$10.5 million</u>, of which:</p> <ul style="list-style-type: none"> • An aggregate principal amount of <u>\$9 million</u> will be available to fund the operations of the North American business (the “North American Facility”); and • An aggregate principal amount of <u>\$1.5 million</u> will be available to fund the operations of Li-Cycle Europe AG and Li-Cycle Germany GmbH (the “European Facility”). <p>There is also the potential to increase the maximum aggregate amount under the North American Facility by up to <u>\$1.25 million</u> if the Stalking Horse Bidder elects to exclude certain assets related the Rochester Hub pursuant to the Stalking Horse Agreement:</p>

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Summary of Key Terms of the DIP Term Sheet	
	<ul style="list-style-type: none"> • If the Stalking Horse Bidder elects to designate <u>substantially all</u> of the assets related to the Rochester Hub as an “Excluded Asset”, including the real property, pursuant to the Stalking Horse Agreement, then the maximum aggregate amount under the North American Facility would be increased by <u>\$1.25 million</u>. • If the Stalking Horse Bidder elects to designate <u>a portion of</u> the assets related to the Rochester Hub as an “Excluded Asset” as set out in and pursuant to the Stalking Horse Agreement, then the maximum aggregate amount under the North American Facility would be increased by an amount equal to the Applicants’ costs to liquidate those assets up to a <u>maximum of \$1.25 million</u>.
Interest	11.3% per annum
Default Rate	An additional 2% per annum
Maturity Date	<p>The earliest to occur of:</p> <ul style="list-style-type: none"> • The Outside Date in the Stalking Horse Agreement, which is July 18, 2025; • Closing of a sale of all or any part of the Transferred Assets (as defined in the Stalking Horse Agreement) to a third-party purchaser pursuant to an Alternative Transaction (as defined in the Stalking Horse Agreement); • Termination of the Stalking Horse Agreement in accordance with its terms; • The closing of the transactions contemplated in the Stalking Horse Agreement; • Termination of the CCAA proceeding or commencement of any other insolvency-related proceedings in relation to the Applicants; Europe Parent or Germany SpokeCo; and • The date of any acceleration of the DIP Loans.
Use of Proceeds	North American Facility: To fund paying amounts for the limited purpose of facilitating the CCAA proceeding, including the SISF, in

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Summary of Key Terms of the DIP Term Sheet	
	<p>accordance with the Budget.</p> <p>European Facility: To fund the approved operating expenses of Europe Parent and Germany SpokeCo in accordance with the Budget.</p> <p>Drawings under the European Facility may be used by Holdings to make intercompany loans to Europe Parent and Germany SpokeCo (the “Intercompany Loans”) in accordance with the budgets for those entities, and Holdings has assigned its claims under those intercompany loans to the DIP Lender.</p>
Prepayments	No mandatory prepayments. Voluntary prepayments permitted with the consent of the Monitor without premium or penalty.
Financial Covenants	<p>Weekly compliance with the Budget, tested on an aggregate cumulative basis, subject to the Permitted Variance. The Permitted Variance is, generally:</p> <ul style="list-style-type: none"> (i) operating disbursements not to exceed Budget by more than 10%; (ii) professional fee disbursements not to exceed Budget by more than 10%; and (iii) cash receipts not to be lower than Budget by more than 10%. <p>Minimum liquidity of \$0.5 million, tested weekly, with liquidity being defined as unrestricted cash of Holdings on a consolidated basis.</p>
DIP Collateral	All present and after-acquired property of the Applicants including the Intercompany Loans

25. The DIP Facility is subject to customary covenants, conditions precedent, and representations and warranties made by the Applicants to the DIP Lender. Additionally, the DIP Facility is conditional upon, among other things, the issuance of the proposed Amended and Restated Initial Order approving the DIP Facility and granting a Court-ordered charge over the Property of the Applicants in favour of the DIP Lender to secure all amounts advanced by the

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DIP Lender under the DIP Facility, together with all obligations, indebtedness, fees, costs and expenses of the Applicants under the DIP Term Sheet and the DIP Facility (the “**DIP Lender’s Charge**”).

26. I was involved in the negotiation of the DIP Term Sheet and believe its terms are reasonable in the circumstances. The DIP Term Sheet is the product of lengthy and intense negotiations between the parties and, coupled with the Stalking Horse Agreement, I believe that it represents the best and most viable path forward for the Applicants.

27. The Applicants also sought alternative DIP financing options from other parties. The Applicants obtained one other DIP proposal from a third party. The fees included in the proposed alternate DIP financing were higher than the fees contained in the proposed DIP Term Sheet. In addition, there were added complexities relating to pursuing DIP financing from parties other than Glencore in light of Glencore’s secured position, particularly in respect of obtaining a priming DIP charge over assets located in the United States.

28. Given their significant liquidity constraints, the Applicants require the DIP Facility to fund their operations and pursue the SISP in these CCAA proceedings to achieve a value-maximizing outcome for their stakeholders. Of particular note, the DIP Facility will provide liquidity to fund the ongoing operations of Europe Parent and Germany SpokeCo – which entities are not Applicants and operate Li-Cycle’s only operational Spoke. This will allow those entities to remain solvent and avoid a domestic insolvency filing and liquidation, which would be value-destructive for the Applicants and their stakeholders.

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29. In all the circumstances, I believe that the DIP Term Sheet, DIP Facility and DIP Lenders' Charge are reasonable and serve to enhance the prospects of the Applicants' restructuring, particularly when coupled with the Stalking Horse Agreement.

V. STALKING HORSE AGREEMENT²

(i) Terms of Stalking Horse Agreement

30. Following significant negotiation in the lead-up to the Applicants commencing these CCAA proceedings, the Applicants entered into the Stalking Horse Agreement with the Stalking Horse Bidder (subject to Court approval) shortly ahead of the hearing for the Initial Order on May 14, 2025. A copy of the Stalking Horse Agreement is attached hereto as **Exhibit "E"**.

31. The Stalking Horse Agreement contemplates that, if selected as the Successful Bidder under the SISF, the Stalking Horse Bidder, or one or more of its designees, would, subject to the terms of the Stalking Horse Agreement, acquire, with exception of the Excluded Assets:

- (a) all of the Purchased Assets of Holdings, Global HQ, Canada SpokeCo, North America OpCo and US HubCo;
- (b) all of the Transferred Intellectual Property of Global HQ;
- (c) the shares of US SpokeCo held by North America OpCo; and
- (d) the Swiss Transferred Equity Interests of Europe Parent held by Holdings (of which Germany SpokeCo is a subsidiary).

² Capitalized terms used in this section that are not otherwise defined have the meanings given to them in the Stalking Horse Agreement.

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32. The key terms of the Stalking Horse Agreement are summarized below:

Summary of Key Terms of the Stalking Horse Agreement	
Agreement	Equity and Asset Purchase Agreement dated as of May 14, 2025 between the Buyer and the Sellers
Buyer	Glencore Canada Corporation
Sellers	<p><u>Asset Sellers</u>: Holdings, Global HQ, Canada SpokeCo, North America OpCo and US HubCo</p> <p><u>Equity Sellers</u>: North American OpCo and Holdings</p> <p><u>Intellectual Property Seller</u>: Global HQ</p>
Purchased Assets and Transferred Equity Interests	<p><u>Purchased Assets</u>: With the exception of the Excluded Assets, all of the assets, properties and rights owned, used, held for use, leased or otherwise employed by Holdings, Global HQ, Canada SpokeCo, North America OpCo and US HubCo. The Excluded Assets include all owned and leased property of Canada SpokeCo. Glencore also retains the right to designate additional assets as Excluded Assets prior to Closing (without changing the purchase price).</p> <p><u>Transferred Equity Interests</u>: The shares of US SpokeCo held by North America OpCo and the shares of Europe Parent held by Holdings.</p>
Purchase Price	<p>The Purchase Price consists of:</p> <ol style="list-style-type: none"> 1. \$40 million comprised of: <ul style="list-style-type: none"> • all amounts outstanding under the DIP Facility as of the Closing Date (the “Credit Bid Amount”); • the assumption by Buyer (or its designated Affiliate) of the Assumed Debt Obligations; 2. the assumption by Buyer (or its designated Affiliate) of the other Assumed Liabilities; 3. an amount of cash sufficient to satisfy all of the Charges granted in the Amended and Restated Initial Order or the SISP Order; (the “Purchase Price Cash Component”); and

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Summary of Key Terms of the Stalking Horse Agreement	
	<p>4. the Carve-out Condition Amount.</p> <p>The Credit Bid Amount shall be paid by means of a credit against (A) first, all amounts owing under the DIP Term Sheet and (B) second, the principal amount of the secured Convertible Note Obligations.</p> <p>The Purchase Price Cash Component shall be paid by the Stalking Horse Bidder to Holdings in cash at Closing. Any Carve-Out Condition Amount shall be paid by the Stalking Horse Bidder to Europe Parent in cash at Closing.</p>
Assumed Liabilities	<ol style="list-style-type: none"> 1. All post-Closing Liabilities arising under the Assumed Contracts. 2. Amounts required to cure any monetary defaults under the Assumed Contracts. 3. The Assumed Debt Obligations. 4. All post-Closing Liabilities relating to the Buyer's ownership or operation of the Business. 5. Transfer Taxes and other costs arising out of the transfer of the Purchased Assets. 6. All Accrued Wages with respect to Hired Employees.
Bid Protections	<p>In the event that the Stalking Horse Agreement is terminated in certain circumstances, including where an Alternative Transaction is selected as the Successful Bid in accordance with the SISP, the Buyer is entitled to:</p> <ul style="list-style-type: none"> • an expense reimbursement for Buyer's and its Affiliates' documented reasonable out-of-pocket expenses (without duplication to the fees and expenses incurred in connection with the DIP Term Sheet) incurred in connection with the Stalking Horse Agreement and/or the Transaction in an aggregate amount equal to the amount of such expenses, plus applicable Taxes, up to a maximum of \$200,000 (the "Expense Reimbursement"); and • a break fee equal to \$1.0 million, which together with the Expense Reimbursement, represents 3% of the Purchase Price (excluding for this purpose the value of the Assumed Liabilities,

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Summary of Key Terms of the Stalking Horse Agreement	
	<p>the Purchase Price Cash Component and the Carve-out Condition Amount) (the “Break Fee”).</p> <p>The Expense Reimbursement and Break Fee are payable from the proceeds of an Alternative Transaction on closing of such Alternative Transaction.</p>
Representations and Warranties	<p>In addition to due authorization and authority representations, the Sellers provided customary representations and warranties, including with respect to the Transferred Entities, the Transferred Assets, environmental matters, employees, taxes and business operations are to be true on closing.</p>
“As Is, Where Is”	<p>The Transferred Entities, Transferred Assets and the Assumed Liabilities will be sold to the Purchaser on an “as is, where is” basis, subject to the representations and warranties contained in the Stalking Horse Agreement.</p>
Employees	<p>The Buyer may in its sole discretion provide offers of employment to any employees of the Sellers, providing for employment commencement dates on or after the Closing Date.</p>
Key Conditions to Closing	<p>Among other things, the following conditions are required to be satisfied (or waived by the Buyer in the Buyer’s sole discretion) on or prior to the Closing Date:</p> <ol style="list-style-type: none"> 1. The DIP Term Sheet shall have been approved by the CCAA Court; 2. No event of default shall have occurred under the DIP Facility; 3. No Material Adverse Effect since the entering into of the Stalking Horse Agreement shall have occurred; 4. No law or order shall be in effect which prevents, renders illegal or otherwise prohibits the Transaction; 5. The SISP shall have been conducted in accordance with its terms and the terms of the SISP Order; 6. All shares or other equity interests in all Carve-Out Entities (UK SpokeCo, Norway SpokeCo, Hungary SpokeCo, France SpokeCo) shall have been validly transferred to Holdings; and

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Summary of Key Terms of the Stalking Horse Agreement	
	7. This Court shall have granted the Initial Order, Amended and Restated Initial Order, SISP Order and the Approval and Vesting Order (which in each case must be in form and substance satisfactory to Glencore).
Closing Date	The date that is three (3) Business Days after all of the conditions set forth in Article VIII of the Stalking Horse Agreement have been satisfied or waived, or such other time or date as agreed to in writing by the Parties.
Termination	The Stalking Horse Agreement shall terminate upon standard breach terms and upon mutual written agreement between the Parties and on notice to the Monitor or if the Buyer is not the Successful Bid under the SISP.

33. Approval of the Stalking Horse Agreement is being sought solely for the purposes of approving it as the Stalking Horse Bid in the SISP. To the extent that the Stalking Horse Bid is the Successful Bid in the SISP, the Applicants will seek approval of the transactions contemplated by the Stalking Horse Agreement at a later hearing.

34. The Stalking Horse Bid is the product of significant negotiation and provides valuable consideration. Particularly since the Stalking Horse Bidder has agreed to purchase the shares of Europe Parent and U.S. SpokeCo, it also includes the assumption of liabilities that provide benefit to Li-Cycle's stakeholders and the prospect of a positive, going-concern outcome.

35. As described further below and in the Kochhar Affidavit, the Applicants had conducted a sale process with the assistance of Moelis over approximately 1.5 years in which no executable transaction was identified (the "**Moelis Process**"). The Applicants considered the results of the

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Moelis Process as well as the other prospects identified therein and other potential stalking horse options, in entering into the transaction with the Stalking Horse Bidder.

36. Among other things, the Applicants concluded that entering into the Stalking Horse Agreement was sensible in light of:

- (a) the value and scope of the proposed Stalking Horse Agreement, including the assumption of liabilities provided for therein;
- (b) Glencore's willingness to also provide DIP Financing, conditioned on entering into the Stalking Horse Agreement;
- (c) Glencore's current secured position with approximately \$205.6 million in secured debt;
- (d) the results and options identified in the pre-filing Moelis Process;
- (e) the potential for continued employment for some of the Applicants' employees;
and,
- (f) the Applicants' limited liquidity position and limited alternative options in the circumstances and available timeframe.

37. I believe that the Stalking Horse Bid has the potential to enhance the efficacy of the SISP and establish an appropriate floor for bids submitted in the SISP while also providing a degree of certainty and security for the Applicants and their stakeholders in this process.

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38. I also believe that the terms of the Stalking Horse Bid are reasonable for the purposes of acting as a Stalking Horse Bid in the SISP and that the terms of the Stalking Horse Bid will not unduly impede a further robust canvassing of the market for potential sales of, or investments in, the Property and Business of the Applicants in all the circumstances.

(ii) Bidder Protections Charge

39. The Stalking Horse Agreement is conditional on a court-ordered charge being granted on the Property of the Applicants to secure the Expense Reimbursement (in the maximum amount of \$200,000) and the Break Fee (in the amount of \$1 million, which is 3% of the purchase price provided in the Stalking Horse Agreement, excluding the value of the Assumed Liabilities, the Purchase Price Cash Component and the Carve-out Condition Amount) (the “**Bidder Protections Charge**”). These Bidder Protections are only payable if another transaction is selected as the Successful Bid for the Stalking Horse Assets (defined below) and are payable from the proceeds of that transaction. The Bidder Protections Charge would be in the maximum amount of \$1.2 million.

40. The Bidder Protections Charge would rank behind the other Charges provided in Amended and Restated Initial Order.

41. The Monitor and the Financial Advisor have each advised that they are supportive of the approval of the Stalking Horse Agreement for the purposes of acting as the Stalking Horse Bid in the SISP. The Monitor has advised that it is supportive of the Bidder Protections Charge.

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VI. THE SISP

42. The Applicants developed the SISP, in consultation with the Monitor and the Financial Advisor, to solicit interest in all of their right, title and interest in and to all of their Property, including the shares of Europe Parent and Li-Cycle APAC Pte. Ltd., and the Business of the Applicants (collectively, the “**SISP Assets**”). To maximize flexibility in the SISP, the Applicants will consider a bid for all of the assets or separate bids to acquire some but not all of the SISP Assets.

43. The SISP includes a notification process and two phases to evaluate proposals from qualified interested bidders. This process is described in greater detail below.

44. The Applicants, with the assistance of the Financial Advisor and under the supervision of the Monitor, will be responsible for the marketing and sale of the SISP Assets pursuant to the SISP.

(i) Extensive Pre-Filing Marketing Efforts

45. The SISP is a continuation of the broad market canvass that the Applicants have already undertaken over the course of the last 1.5 years with the assistance of Moelis. The Moelis Process is outlined in detail in the Kochhar Affidavit.

46. Given the nature of Li-Cycle’s business there is also a relatively discrete list of potential strategic counterparties, many of whom have already been involved as part of the Moelis Process. Many of these counterparties have existing and active relevant NDAs and have conducted significant previous diligence on Li-Cycle.

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47. Furthermore, with a view to maximizing the time available to potential bidders and recognizing the Applicants' liquidity constraints, the Applicants, with the assistance of the Financial Advisor, commenced the marketing process on May 12, 2025. The Applicants provided the Financial Advisor with a list of potential bidders from their previous marketing efforts, which the Financial Advisor has supplemented.

48. The Financial Advisor team, led by Mr. Hugh Rowan-Legg who is its Managing Director and Head of Corporate Finance & Investment Banking, have been reporting to me on a regular basis on the progress of their market outreach efforts. I am advised by Mr. Rowan-Legg that, as of May 15, 2025:

- (a) A teaser and NDA have been distributed to 144 potential bidders, including 78 strategic buyers and 66 financial sponsors;
- (b) 16 NDAs have been executed and another 12 are currently in process;
- (c) All interested parties with executed NDAs have received the Confidential Information Package (as defined below);
- (d) All 16 of the potential bidders with executed NDAs are actively working and evaluating the opportunity based on information in the Data Room (as defined below) that opened May 14, 2025; and
- (e) 32 potential bidders have declined the opportunity.

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49. The Financial Advisor further advises that next steps will include continued, targeted outreach and follow-up, facilitating due diligence for interested parties and coordination of in-person site visits.

(ii) SISP Milestones

50. In consultation with the Monitor and Financial Advisor, with a view to balancing the Applicants' desire to maximize the solicitation of interest in the SISP Assets, the efficient resolution of these CCAA proceedings and the Applicants' liquidity constraints, the Applicants propose the following timeline for the material steps in the SISP (the "**SISP Milestones**") (with all time referenced being prevailing Eastern Time):

Milestone	Deadline
Teaser Letter and NDA sent to Known Potential Bidders	By May 12, 2025
Phase 1 Bid Deadline	June 6, 2025 at 5:00 p.m.
Phase 2 Bid Deadline	June 27, 2025 at 5:00 p.m.
Selection of Successful Bid(s) and Back-Up Bidder(s) or designation of Auction	June 30, 2025 at 5:00 p.m.
Auction Date (if designated)	July 2, 2025
Approval of Successful Bid(s)	July 7, 2025 at 5:00 p.m.
Closing – Successful Bid(s)	July 16, 2025 at 5:00 p.m.
Outside Date – Closing	July 18, 2025

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51. The Applicants and the Financial Advisor have the right to modify the SISP with the prior written approval of the Monitor and consultation with the Stalking Horse Bidder if they consider that such modification will enhance the process or better achieve the objectives of the SISP.

52. The Applicants and Financial Advisor will be able to leverage the extensive marketing efforts conducted in the Moelis Process, as well as the marketing done by the Financial Advisor since May 12, 2025. The Financial Advisor has been provided with information regarding the Moelis Process including the list of Known Potential Bidders (described below).

53. The SISP Milestones take into account the pre-filing marketing done to date, the relatively discrete group of potential parties who have already been made aware of the opportunity, and the cashflow constraints facing the Applicants.

54. I have been advised by Mr. Rowan-Legg that the Financial Advisor believes the SISP Timeline is appropriate in the circumstances and will provide sufficient opportunity to solicit interest for a sale of the SISP Assets.

55. In all the circumstances and based on my experience, I believe that the SISP Milestones are reasonable and appropriate.

(iii) Notification Process and Phase 1

56. Notice of the SISP is to be provided pursuant to the following:

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- (a) The Applicants and the Financial Advisor have prepared a list of potential bidders including (i) parties that have approached the Applicants, the Financial Advisor or the Monitor indicating an interest in bidding, including as part of any prior solicitation efforts, (ii) local and internal strategic and financial parties who the Applicants and the Financial Advisor, in consultation with the Monitor, believe may be interested and (iii) any other parties reasonably suggested by a stakeholder as a potential bidder (collectively, “**Known Potential Bidders**”);
- (b) a notice of the SISP (the “**SISP Notice**”) to be published in *The Globe and Mail* and any other publications as the Applicants and the Financial Advisor, in consultation with the Monitor, consider appropriate, if any;
- (c) a press release setting out the information contained in the SISP Notice and such other relevant information which the Applicants and the Financial Advisor consider appropriate for dissemination in Canada and the United States; and
- (d) a process summary (the “**Teaser Letter**”) describing the opportunity, developed by the Financial Advisor and the Applicants, in consultation with the Monitor, and a non-disclosure agreement (the “**NDA**”).

57. In accordance with the SISP Milestones, the Financial Advisor sent the Teaser Letter and an NDA to all Known Potential Bidders on May 12, 2025. A copy of the Teaser Letter is attached hereto as **Exhibit “F”**.

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58. The Teaser Letter and an NDA will also be available to any party who requests a copy or who is identified to the Financial Advisor, the Applicants or the Monitor as a potential bidder. A process letter outlining the SISP Milestones, desired bid structure and any additional information in respect of the SISP will be approved by the Monitor and circulated to all potential bidders that have executed an NDA.

59. Any Related Person that wishes to submit or participate in the SISP must declare that intention to the Financial Advisor and the Monitor in writing by June 6, 2025 and until they do so, the Financial Advisor and the Monitor will limit the sharing of information with those Related Persons to ensure and preserve the fairness of the SISP.

60. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must provide the Financial Advisor with an NDA (unless one already remains in effect), contact information and full disclosure of the direct and indirect principals of the Potential Bidder. Each such Potential Bidder who has provided this information and is determined by the Applicants and Financial Advisor to be likely to be able to consummate a sale or investment pursuant to the SISP, will be deemed a “**Phase 1 Qualified Bidder**”.

61. Each Phase 1 Qualified Bidder will be provided with access to a confidential information package providing additional information about the SISP Assets (the “**Confidential Information Package**”) and will be provided access to an electronic data room containing due diligence information (the “**Data Room**”).

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62. A Phase 1 Qualified Bidder that wishes to pursue the SISP opportunity must deliver a non-binding letter of interest such that it is received by the Financial Advisor by 5:00 p.m. on or before June 6, 2025.

63. To be considered a qualified LOI (a “**Qualified LOI**”), it must, among other things:

- (a) be submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;
- (b) contain an indication of whether the Phase 1 Qualified Bidder is proposing:
 - (i) to acquire all, substantially all or a portion of the Property (a “**Sale Proposal**”), or
 - (ii) a recapitalization, arrangement or other form of investment in or reorganization of the Business (an “**Investment Proposal**”);
- (c) identify (i) the Phase 1 Qualified Bidder and representatives thereof who are authorized to appear and act on behalf of the Phase 1 Qualified Bidder for all purposes regarding the transaction; and (ii) each entity or person that will be sponsoring, participating in or benefitting from the transaction contemplated by the LOI;
- (d) state that the LOI does not entitle the Phase 1 Qualified Bidder to any break-up fee, termination fee, expense reimbursement, or similar type of payment or reimbursement;

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- (e) in the case of a Sale Proposal, identify, among other things, the purchase price, the Property expected to be subject to the transaction and any Property to be excluded, proposed treatment of employees and material agreements, a specific indication of financial capability and structure and financing of the transaction, conditions an approvals required, a description of any due diligence required, and any other material terms or conditions;
- (f) in the case of an Investment Proposal, identify, among other things, how the proposed investment will be structured, the aggregate amount of the equity and/or debt investment to be made, key assumptions supporting the valuation, the proposed treatment of material contracts and employees, a specific indication of the sources of capital and structure and financing of the transaction, conditions and approvals required, a description of any due diligence required, and any other material terms or conditions.

64. The Applicants and the Financial Advisor, in consultation with the Monitor, may waive compliance with any one or more of the requirements and deem such a non-compliant bid as a Qualified LOI.

(iv) Determination of Phase 2 Qualified Bidders

65. Following the Phase 1 Bid Deadline, the Applicants and the Financial Advisor, in consultation with the Monitor, will assess the Qualified LOIs. A Phase 1 Qualified Bidder may be deemed a “**Phase 2 Qualified Bidder**” where: (a) the bidder has submitted a Qualified LOI; (b) the bidder has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as

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the case may be); and (c) the bidder has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided.

66. The Applicants and the Financial Advisor may, in their reasonable business judgment and after consultation with and approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account any material adverse impact on the operations and performance of the Applicants. The Stalking Horse Bidder is automatically considered a Phase 2 Qualified Bidder.

(v) Phase 2

67. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Applicants or the Property and Business must submit a binding offer (a “**Bid**”) such that it is received by the Financial Advisor by no later than 5:00 p.m. on June 27, 2025.

68. To be considered a Qualified Bid, the bid must, among other things:

- (a) comply with all of the requirements in respect of Phase 1 Qualified LOIs (listed above);
- (b) either individually or in combination with other bids that make up one bid, be an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions communicated to Phase 2 Qualified Bidders;

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- (c) include a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;
- (d) include duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in U.S. dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto and blacklines to any model documents provided by the Applicants and uploaded onto the Data Room;
- (e) provide for aggregate cash consideration, payable in full on closing, in an amount sufficient to fully satisfy all outstanding amounts secured by each of the Court-ordered charges granted in these CCAA proceedings as of the date of closing (such amount, the "**Charge Payout Amount**");
- (f) include written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction;
- (g) not be conditioned on, among other things, obtaining financing or the outcome of unperformed due diligence by the Phase 2 Qualified Bidder;
- (h) fully disclose the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

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- (i) include a commitment to provide a non-refundable deposit in the amount of not less than 10% of the Purchase Price upon the Phase 2 Qualified Bidder being selected as the Successful Bidder or the Back-Up Bidder; and
- (j) include certain acknowledgements and representations of the Phase 2 Qualified Bidder, evidence that the submission of the transactions agreements has been duly authorized, and other information required by the Applicants, the Financial Advisor or the Monitor.

69. Following the Phase 2 Bid Deadline, the Applicants and the Financial Advisor, in consultation with the Monitor, will assess the bids and designate the most competitive bids that comply with the above requirements to be Qualified Bids.

70. The Applicants and the Financial Advisor, in consultation with the Monitor, may waive compliance with any of the above requirements and deem the bid to be a Qualified Bid if appropriate. The Stalking Horse Bid will automatically be considered a Qualified Bid.

71. To the extent that no Qualified Bids (other than the Stalking Horse Bid) are received by the Phase 2 Bid Deadline for the assets to be acquired pursuant to the Stalking Horse Agreement (the “**Stalking Horse Assets**”), the Stalking Horse Bid shall be deemed to be the Successful Bid as it relates to the Stalking Horse Assets, and the SISP shall not proceed to an Auction in respect of the Stalking Horse Assets. The Applicants may only designate a Bid as a Qualified Bid for the Stalking Horse Assets where the proposed Purchase Price is equal or greater than that contained in the Stalking Horse Bid (including the amount of any Assumed Liabilities thereunder) plus the

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Charge Payout Amount (to the extent not duplicative of the purchase price contained in the Stalking Horse Bid) plus the Expense Reimbursement and Break Fee plus \$500,000.

(vi) Selection of Successful Bid

72. The Applicants and the Financial Advisor, in consultation with the Monitor, will review the Qualified Bids and may enter into negotiations with Phase 2 Qualified Bidders to improve their respective Qualified Bids. The Qualified Bids will be valued based on several factors, including:

- (a) the Purchase Price and the net value provided by such Bid;
- (b) the claims likely to be created by such bid in relation to other Bids;
- (c) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions; the proposed transaction documents;
- (d) the effects of the Bid on the stakeholders of the Applicants;
- (e) factors affecting the speed, certainty and value of the transaction (including any regulatory approvals or third party contractual arrangements required to close the transactions);
- (f) the assets included or excluded from the Bid;
- (g) any related restructuring costs; and
- (h) the likelihood and timing of consummating such transactions.

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73. In the event there is more than one Qualified Bid, in addition to the Court-approved Stalking Horse Bid, then, no later than 5:00 p.m. on June 30, 2025, the Applicants and the Financial Advisor, in consultation with the Monitor, may determine the Successful Bid(s) and any Back-Up Bid(s) or may determine that the Successful Bid will be identified through an Auction. Any such Auction will be conducted in accordance with procedures to be determined by the Applicants and the Financial Advisor, in consultation with the Monitor.

74. To participate in the Auction in respect of the Stalking Horse Assets Qualified Bidders must satisfy the Monitor of their ability to deliver a deposit top-up equivalent to the Stalking Horse Bidder's Expense Reimbursement and Break Fee, in the event that such Qualified Party's Bid is the Successful Bid.

75. Any Auction will commence no later than 12:00 p.m. on July 2, 2025 and any Successful Bids and Back-Up Bids must be selected by no later than 5:00 p.m. on July 2, 2025.

76. Without impacting its obligations under the Stalking Horse Agreement, the Applicants shall have no obligation to enter into a Successful Bid and reserve the right, after consultation with the Monitor and the Financial Advisor, to reject any or all Phase 2 Qualified Bids except for the Stalking Horse Bid.

77. The Applicants will subsequently seek the approval of this Court to consummate the transactions with the Successful Bidder contemplated by the Successful Bid. The Applicants will also seek an order from the U.S. Court pursuant to section 363 of the U.S. Bankruptcy Code with respect to any Successful Bid that includes U.S. assets. The SISP Milestones provide that any such Approval Motions will be heard by July 7, 2025.

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(vii) The SISP Should be Approved

78. The SISP was developed by the Applicants in consultation with the Financial Advisor and the Monitor. The SISP is designed to facilitate the continuation of the extensive market canvass already conducted in the Moelis Process and continued by the Financial Advisor.

79. The Applicants believe that the SISP will provide a flexible, efficient, fair and equitable process for canvassing the market for potential buyers of the Property and maximizing recovery for the Applicants' stakeholders. As such, the Applicants believe that the SISP's approval and implementation is in the best interests of the Applicants and their stakeholders. The rights provided to the DIP Lender and Stalking Horse Bidder in relation to the SISP are appropriate and will not impede a robust canvassing of the market.

80. The Monitor has advised that it is supportive of the proposed SISP and believes that the SISP is the best option available to the Applicants at this time.

VII. KEY EMPLOYEE RETENTION PLAN

(i) Terms of the KERP

81. Prior the commencement of these CCAA proceedings, the Applicants instituted various cash conservation measures, which included terminating and/or furloughing various employees and pausing operations in various locations. The Applicants now depend on a more limited group of employees to continue their scaled-back operations, preserve and protect the Property, assist with these CCAA proceedings and conduct the SISP.

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82. In light of the considerable uncertainty created by the Applicants' financial position – which was well-known as a result of the public filings made by Holdings – as well as the effects of the financial condition of the Applicants such as not providing bonuses to employees, employee retention is of particular concern for the Applicants.

83. In my role as CRO I have become aware that certain employees have considered alternative employment opportunities and certain employees have indeed left the company in recent weeks.

84. Working together with the Monitor, the Applicants have established a KERP to incentivize 25 key employees (the “**KERP Employees**”) to remain in their employment during these CCAA proceedings. The KERP was approved by the board of directors of the Applicants and has been reviewed and considered by the Monitor. A copy of the KERP with the names of the KERP Employees and the incentive payments to be made to them redacted is attached as **Exhibit “G”**. A copy of the unredacted KERP is attached hereto as **Confidential Exhibit “H”**.

85. The KERP Employees occupy key roles with the Applicants and include employees in management, operations, finance, IT, legal, sales, human resources and payroll. The KERP Employees could not be readily or easily replaced in the near term due to their (i) institutional knowledge of the operations and processes of the Applicants and, (ii) important roles in the ensuring the stability of the business and the efficient conduct of the SISP and Realization Process. Any process to find appropriately qualified replacements would be difficult and costly, particularly given the specialized nature of the Applicants' business.

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86. Without the KERP and KERP Charge, I believe that the Key Employees will consider other employment options.

87. The KERP contemplates a proposed payout to the KERP Employees (the “**KERP Incentive Payment**”) on the earliest of:

- (a) July 31, 2025;
- (b) When the KERP Employee’s employment is terminated, without cause; or
- (c) The consummation of a transaction that (1) effectuates a recapitalization or restructuring of a material portion of Li-Cycle’s outstanding indebtedness, or (2) involves an acquisition, merger, or other business combination pursuant to which a majority of the business, equity, or operating assets of Li-Cycle is sold, purchased, or combined with another entity or company

(the “**KERP Retention Period**”).

88. The KERP Incentive Payment will be made to an KERP Employee entitled to receive it in one lump sum within five business days of the expiry of the KERP Retention Period for that KERP Employee. Payment of the KERP Incentive Payment is subject to the KERP Employee’s compliance with the following conditions:

- (a) the KERP Employee must remain employed in their current position, or as otherwise required by Li-Cycle, through to the end of the KERP Retention Period;

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- (b) the KERP Employee must fulfill their performance expectations and work their regular schedule;
- (c) the KERP Employee shall have maintained the confidentiality of the KERP;
- (d) the KERP Employee shall not have breached the non-disparagement terms set out the KERP;
- (e) unscheduled absences, for any reason, for more than five (5) cumulative days, in any month, throughout the KERP Retention Period will result in a *pro rata* reduction of the KERP Incentive Payment for the days that exceed the allowable five; and,
- (f) if, during the KERP Retention Period, KERP Employees do not meet performance expectations, voluntarily resign or retire, or involuntarily separate for any reason, other than disability, death, or termination without cause, they will not receive any KERP Incentive Payment, prorated or otherwise.

89. The aggregate of the KERP Incentive Payments is CAD \$869,973.92 and USD \$672,075.46 (the “**KERP Employee Funds**”).

(ii) KERP Charge

90. The proposed Amended and Restated Initial Order would approve the Applicants paying to the Monitor:

- (a) the KERP Employee Funds, for the benefit of participants in the KERP; and

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- (b) \$113,000 (\$100,000 + HST), as security for the “Work Fee” of Maplebriar pursuant to the Maplebriar Engagement Letter (which represents two months of “Work Fees”) (the “**Maplebriar Work Fee Funds**” and collectively with the KERP Employee Funds, the “**KERP Funds**”).

91. The proposed Amended and Restated Initial Order provides a court-ordered charge solely over the KERP Funds (the “**KERP Charge**”) for the benefit of participants in the KERP and Maplebriar.

92. I am of the view that the KERP and the KERP Charge are appropriate and in the best interests of the Applicants and their stakeholders generally. I understand that the Monitor supports the KERP and the KERP Charge.

(iii) Sealing of Unredacted KERP

93. The unredacted KERP contains commercially sensitive and personal information regarding the identity and compensation of the KERP Employees, the disclosure of which could adversely impact the Applicants and the KERP Employees. Accordingly, the proposed Amended and Restated Initial Order provides that Confidential Exhibit “H” be sealed and not form part of the public record unless otherwise ordered by this Court.

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VIII. CONCLUSION

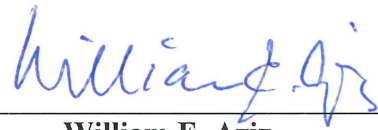
94. For the reasons set out herein, the Applicants respectfully request that this Court grant the additional relief requested herein as part of the Amended and Restated Initial Order, and grant the Sale and Realization Process Order.

SWORN BEFORE ME over videoconference this 16th day of May, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant was in the Town of Oakville, in the Province of Ontario, in the Country of Canada, and the commissioner was in the City of Toronto, in the Province of Ontario, in the Country of Canada.



A Commissioner for taking Affidavits, etc.

Name: Meena Alnajar LSO#: 89626N



William E. Aziz