

5N PLUS INC.

MAJORITY VOTING POLICY WITH RESPECT TO THE ELECTION OF DIRECTORS

(Adopted by the Board of Directors on May 13, 2013)

- 1. Resignation Following “Majority Withheld Vote”.** In an uncontested election of directors of 5N Plus Inc. (the “**Corporation**”), any nominee for election as a director who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “**Majority Withheld Vote**”) shall promptly following the date of the shareholders’ meeting at which the election occurred tender his or her resignation to the Chairman of the Board of Directors, for consideration by the Compensation Committee of the Board of Directors. In this Policy, an “uncontested election” shall mean an election in which the number of nominees for election as director shall be equal to the number of directors to be elected.
- 2. Recommendation by Compensation Committee.** The Compensation Committee shall consider the resignation and, promptly following the date of the shareholders’ meeting at which the election occurred, recommend to the Board of Directors whether or not to accept it. The Compensation Committee shall be expected to accept the resignation except in situations in which extenuating circumstances warrant the applicable director continuing to serve on the Board of Directors. In considering whether or not to accept the resignation, the Compensation Committee shall consider all factors deemed relevant by the Compensation Committee including, without limitation, the stated reason or reasons why shareholders “withheld” votes from the election of the director, the length of service and the qualifications of the director (including, for example, the impact the director’s resignation would have on the Corporation’s compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Corporation’s securities are listed or posted for trading), such director’s contribution to the Corporation, and whether the director’s resignation from the Board of Directors would be in the best interests of the Corporation.
- 3. Consideration of Alternatives.** The Compensation Committee shall also consider a range of possible alternatives concerning the director’s tendered resignation as the Compensation Committee deems appropriate including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Compensation Committee to have resulted in the “withheld” votes.
- 4. Decision of the Board of Directors.** The Board of Directors shall act on the Compensation Committee’s recommendation within 90 days of the date of the shareholders’ meeting at which the election occurred. In considering the Compensation Committee’s recommendation, the Board of Directors shall consider the information, factors and alternatives considered by the Compensation Committee and such additional information, factors and alternatives that the Board of Directors may consider to be relevant.
- 5. Press Release.** Following the Board of Directors’ decision, the Corporation shall promptly disclose, by way of press release, the Board of Directors’ decision whether or not to accept the director’s resignation, together with an explanation of the process by which the decision was made and, if applicable, the Board’s reason or reasons for rejecting the tendered resignation.
- 6. Non-Participation.** No director who, in accordance with this Policy, is required to tender his or her resignation, shall participate in the Compensation Committee’s deliberations or recommendation, or in the Board’s deliberations or determination, with respect to accepting or rejecting his or her resignation as a director.
- 7. Ad Hoc Committee.** If a majority of the members of the Compensation Committee received a Majority Withheld Vote in the same election, or the number of Compensation Committee members who received a Majority Withheld Vote in the same election is greater than quorum for meetings of the Compensation Committee, the independent directors then serving on the Board of Directors who received a greater number of votes “for” their election than votes “withheld” from their election will appoint an ad hoc Board committee from amongst themselves (the “**Ad Hoc Committee**”), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board of Directors with respect to the tendered

resignations. The Ad Hoc Committee shall serve in place of the Compensation Committee and perform the Compensation Committee's duties for the purposes of this Policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it (including in circumstances where the entire Board of Directors receives a Majority Withheld Vote), the entire Board of Directors (other than any director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Compensation Committee and without the creation of an Ad Hoc Committee.

8. **Options Following Acceptance of Resignation.** If a resignation is accepted, the Board of Directors may, in accordance with the provisions of the *Canada Business Corporations Act*, (i) leave the vacancy in the Board unfilled until the next annual meeting of shareholders, (ii) fill the vacancy created by the resignation by appointing a new director whom the Board of Directors considers to merit the confidence of shareholders, or (iii) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s).

9. **Non-Compliance with Policy.** In the event that any director who received a Majority Withheld Vote does not tender his or her resignation in accordance with this Policy, he or she will not be re-nominated by the Board of Directors.

10. **Procedures.** The Compensation Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this Policy.

11. **Agreement of Current Directors.** Each of the current directors of the Corporation has agreed to abide by the provisions of this Policy and any subsequent candidate nominated by management will, as a condition of such nomination, be required to abide by this Policy.