

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY

AND

LI-CYCLE NORTH AMERICA HUB, INC.

PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Tax Map No.

At Closing: part of 089.04-1-3.21; After 01/01/2023: 089.04-1-3.211

Affected Tax Jurisdictions:

County of Monroe
Town of Greece
Greece Central School District

Dated as of December 1, 2022

PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT (the "PILOT Agreement") made as of December 1, 2022, is by and between the **COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation of the State of New York, having its offices at 50 West Main Street, Rochester, New York 14614 (the "Agency") and **LI-CYCLE NORTH AMERICA HUB, INC.**, a Delaware corporation with offices at 100 Latona Road, Suite 350, Rochester, New York 14626 (the "Company").

WITNESSETH:

WHEREAS, the Agency was created by Chapter 55 of the Laws of 1972 of the State of New York pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York (collectively, the "Act") as a body corporate and politic and as a public benefit corporation of the State of New York; and

WHEREAS, the Company has requested the Agency to assist in a certain project (the "Project") consisting of: (A) the acquisition of a leasehold interest in an approximately 41.06-acre portion of land located at 205 McLaughlin Road in the Town of Greece, New York 14606 and all other lands in the County of Monroe where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"); (B) the construction on the Land of a hydrometallurgical manufacturing plant (the "Improvements"); and (C) the acquisition and installation therein, thereon or thereabout of certain machinery, equipment and related personal property including (collectively, the "Equipment" and, together with the Land and the Improvements, the "Facility") for use by the Company in its business of processing black mass concentrate, an intermediate product generated from the recycling of lithium-ion batteries; and

WHEREAS, the Agency has agreed to lease the Facility to the Company; and

WHEREAS, in order to induce the Company to acquire, construct and equip the Facility, the Agency is willing to take a leasehold interest in the Land and the Facility pursuant to a certain Lease Agreement, dated as of December 1, 2022 (the "Lease Agreement"), and thereafter lease said Facility back to the Company pursuant to the terms and conditions of a certain Leaseback Agreement, dated as of December 1, 2022 (the "Leaseback Agreement"); and

WHEREAS, pursuant to Section 874(1) of the Act, the Agency is exempt from the payment of taxes imposed upon real property and improvements owned by it or under its jurisdiction, control or supervision other than special ad valorem levies, special assessments and service charges against real property, which are or may be imposed for special improvements or special district improvements; and

WHEREAS, the Agency and the Company deem it necessary and proper to enter into an agreement making provisions for payments in lieu of taxes by the Company to the County of Monroe (the "County"), the Town of Greece (the "Town") and the Greece Central School District (the "School District" and, collectively with the County and the Town, the "Affected Tax Jurisdictions").

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

Section 1 - Payment in Lieu of Ad Valorem Taxes.

Section 1.1 A. Subject to the completion and filing by the taxable status date (**March 1, 2023**) (the "Taxable Status Date") of New York State Form RP-412-a "Application For Real Property Tax Exemption" (the "Exemption Application") under Section 412-a of the New York State Real Property Tax Law (the "RPTL") and Section 874 of the Act and the approval of the Exemption Application by the appropriate assessors or Board of Assessment Review, the Facility shall be exempt from Real Estate Taxes commencing with the **2024** Town and County tax year and the **2023-2024** School District tax year; provided, however, that the benefits period is subject to change in accordance with Section 1.5 below. For purposes of the foregoing "Real Estate Taxes" means all general levy real estate taxes levied against the Facility by the Town, County and School District. The Company shall provide to the Agency with the information necessary for the completion and filing of the Exemption Application and shall provide such additional information and take such actions as are required by the appropriate assessors or Board of Assessment Review to process and approve the Exemption Application. Notwithstanding anything contained herein or in the Lease Agreement to the contrary, in the event the exemption from Real Estate Taxes is denied for any reason, the Company shall pay (and hereby agrees to pay) all Real Estate Taxes levied upon the Facility as they become due. After giving written notice to the Agency, the Company may in good faith contest the denial of the Exemption Application, provided that (i) the overall operating efficiency of the Facility is not impaired and the Facility continues to qualify as a "project" under the Act; (ii) neither the Facility nor any part of or interest in it would be in any danger of being sold, forfeited or lost; or (iii) neither the Company nor the Agency, as a result of such contest, shall be in any danger of any civil or criminal liability. The Company hereby waives any claim or cause of action against the Agency, and releases the Agency from any liability to the Company, arising from the denial of an exemption from Real Estate Taxes except to the extent that such denial results solely from the failure of the Agency to file the Exemption Application with the appropriate assessors or Board of Assessment Review by the Taxable Status Date.

B. Payee. As long as the Facility is leased to the Agency or under its jurisdiction, control or supervision, the Company agrees to pay annually directly to the Affected Tax Jurisdictions, as a payment in lieu of taxes, within thirty (30) days after receipt of the invoice for payment of taxes (the "Payment Date"), commencing with the invoice for the **2023-2024** School District tax year and the invoice for the **2024** Town and County tax year, unless otherwise extended in accordance with Section 1.5 below, an amount equal to the PILOT Payment, as set forth on **Schedule A** attached hereto and made a part hereof. The Company shall remit payment to the applicable Affected Tax Jurisdiction in accordance with instructions provided on the respective invoice. The Company shall make all payments due hereunder without further notice or invoicing from the Agency, any Affected Taxing Jurisdiction or any other party.

The parties agree and acknowledge that payments made hereunder are to obtain revenues for public purposes, and to provide a revenue source that the Affected Tax Jurisdictions would otherwise lose because the subject parcels are not on the tax rolls.

1.2 Allocation. If the Agency shall receive any amounts hereunder, the Agency shall remit such monies to the Affected Tax Jurisdictions within thirty (30) days of receipt of said payment and shall allocate said payments among the Affected Tax Jurisdictions in the same proportion as ad valorem taxes would have been allocated but for the Agency's involvement, unless the Affected Tax Jurisdictions have consented in writing to a specific allocation.

1.3 Tax Rates. For purposes of determining the allocation of the PILOT Payment among the Affected Tax Jurisdictions, the Affected Tax Jurisdictions shall use the last tax rate utilized for levy of taxes by each such jurisdiction. For County, Town and special district purposes, the tax rates used to determine the allocation of the PILOT Payment shall be the tax rates relating to the calendar year which includes the PILOT Payment due date. For School District purposes, the tax rates used to determine the PILOT Payment shall be the rate relating to the school year which includes the PILOT Payment due date.

1.4 Valuation of Future Additions to the Facility. In the event that any structural addition shall be made to the building or buildings included in the Facility, or any additional building or improvement shall be constructed on the Land (such structural additions, buildings and improvements being referred to hereinafter as "Future Addition"), the Company agrees to make additional payments in lieu of taxes to the Affected Tax Jurisdictions in amounts equal to the then current ad valorem tax rates which would be levied upon or with respect to the Future Addition by the Affected Tax Jurisdictions if the Future Addition were owned by the Company exclusive of the Agency's leasehold interest multiplied by the assessment or assessments established for that tax year by the appropriate Taxing Jurisdiction.

1.5 Period of Benefits. Prior to the completion of the Facility, the PILOT Payment shall be based on the Base Valuation, as defined and described on Schedule A attached hereto. The real property tax abatement provided for herein shall commence upon the date of issuance of a certificate of occupancy ("COO") by the Town of Greece or other appropriate municipal agency for the Facility. In no event shall the Company be entitled to receive tax benefits relative to the Facility for more than the periods provided for herein, unless the period is extended by amendment to this PILOT Agreement executed by both parties after any applicable public hearings. The Company agrees that it will not seek any tax exemption for the Facility which could provide benefits for more than the periods provided for herein and specifically agrees that the exemptions provided for herein, to the extent actually received (based on the number of lease years elapsed), supersede and are in substitution of the exemptions provided by Section 485-b of the New York RPTL. It is hereby agreed and understood that the Affected Tax Jurisdictions can rely upon and enforce the above waiver to the same extent as if they were signatories hereto.

1.6 Notice of COO. Within thirty (30) days after the receipt of a COO for the Facility, the Company shall: (1) complete and execute the form attached hereto as Appendix A and (2) send the executed form to the Agency, each Affected Tax Jurisdiction and the applicable assessor's office. Notwithstanding the foregoing, the Town of Greece has the right but not the

obligation to notice the other Affected Taxing Jurisdictions that a COO has been issued for the Facility.

Section 2 - Special District Charges, Special Assessments and other Charges. Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district charges), and pure water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Section 3 - Transfer of Facility. In the event that the Facility is transferred from the Agency to the Company (the lease/leaseback agreements are terminated), and the Company is ineligible for a continued tax exemption under some other tax incentive program, or the exemption results in a payment to the Affected Tax Jurisdictions in excess of the payment described in Section 1 herein, or this PILOT Agreement terminates and the property is not timely transferred back to the Company, the Company agrees to pay no later than the next tax lien date (plus any applicable grace period), to each of the Affected Tax Jurisdictions, an amount equal to the taxes and assessments which would have been levied on the Facility if the Facility had been classified as fully taxable as of the date of transfer or loss of eligibility of all or a portion of the exemption described herein or date of termination.

Section 4 - Assessment Challenges.

4.1 The Company shall have all of the rights and remedies of a taxpayer with respect to any proposed assessment or change in assessment of the Facility by any of the Affected Tax Jurisdictions. The Company shall be entitled to protest before and be heard by the appropriate assessors or Board of Assessment Review, and shall be entitled to take any and all appropriate appeals or initiate any proceedings to review the validity or amount of any assessment or the validity or amount of any tax equivalent provided for herein.

4.2 The Company shall have all of the rights and remedies of a taxpayer with respect to any tax, service charge, special benefit, ad valorem levy, assessment, or special assessment or service charge in lieu of which the Company is obligated to make a payment pursuant to this PILOT Agreement.

4.3 The Company shall (i) cause the appropriate real estate tax assessment office and tax levy officers to assess the Facility and apply tax rates to the respective assessments, and (ii) file any accounts or tax returns required by the appropriate real estate tax assessment office and tax levy officers.

Section 5 - Changes in Law. To the extent the Facility is declared to be subject to taxation or assessment by an amendment to the Act, other legislative change, or by final judgment of a court of competent jurisdiction, the obligations of the Company hereunder shall, to such extent, be null and void.

Section 6 - Events of Default.

6.1 If payments are not made as provided for herein, the Agency and/or Taxing

Jurisdictions, individually or collectively, shall be entitled to pursue any and all remedies afforded them at law or in equity, subject to any applicable cure provisions.

Notwithstanding anything contained herein to the contrary, upon the occurrence of (i) the sale or closure of the Facility; (ii) a significant unapproved change in use of the Facility; (iii) the Company abandons or otherwise vacates the County of Monroe; (iv) the failure by the Company to make any payments required under this PILOT Agreement, and such failure shall have continued for a period of thirty (30) days after the Agency gives written notice of such failure to the Company (the "Applicable Cure Period"); or (v) the breach of covenants or event of default (singularly or collectively an "Event of Default") under the Leaseback Agreement, the Agency shall have the right to recapture real property tax abatements provided hereunder pursuant to the following schedule:

Year of Recapture	Percent of Recapture, Applicable to Current Year and All Prior Years
1	100%
2	100%
3	100%
4	75%
5	75%
6	50%
7	50%
8	25%
9	25%
After year 10	At Agency's Discretion, 25% or Less

Any such recapture is at the sole and reasonable discretion of the Agency. The Agency shall notify the Company in writing of such Event of Default within five (5) calendar days of its intent to recapture the PILOT benefits (or any portion thereof). Any and all recaptured payments received pursuant to this provision shall be remitted to the Affected Tax Jurisdictions on a pro rata basis within sixty (60) days of receipt of payment.

Notwithstanding anything to the contrary contained herein, the provisions of this Section 6.1 shall survive termination of this PILOT Agreement, for any reason whatsoever.

6.2 If payments pursuant to Section 6.1 herein are not made by the due dates, or if any other payment required to be made hereunder is not made by the last day of any Applicable Cure Period within which said payment can be made without penalty, the Company shall pay penalties and interest as follows: With respect to payments to be made pursuant to Section 6.1 herein, if said payment is not received by the due date defined in Section 6.1 herein, the Company shall pay, in addition to said payment, (i) a late payment penalty equal to five percent (5%) of the amount due and (ii) for each month, or any part thereof, that any such payment is delinquent beyond the first month, interest on the total amount due plus a late payment penalty, in an amount equal to one percent (1%) of the amount due per month. With respect to all other

payments due hereunder, if said payment is not paid within any Applicable Cure Period, the Company shall pay, in addition to said payment, the greater of the applicable penalties and interest hereunder, or penalties and interest which would have been incurred had payments made hereunder been tax payments to the Affected Tax Jurisdictions.

Section 7 - Assignment. No portion of any interest in this PILOT Agreement may be assigned by the Company, nor shall any person other than the Company be entitled to succeed to or otherwise obtain any benefits of the Company hereunder without the prior written consent of the Agency, which shall not be unreasonably withheld or delayed.

Section 8 - Miscellaneous.

8.1 This PILOT Agreement may be executed in any number of counterparts each of which shall be deemed an original but which together shall constitute a single instrument.

8.2 All notices, claims and other communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered, mailed first class, postage prepaid by an overnight national courier, or through electronic delivery (with delivery receipt requested), as follows:

To the Agency: County of Monroe Industrial Development Agency
50 West Main Street
Rochester, New York 14614
Attn: Executive Director

With a Copy to: Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Attn: Rachel C. Baranello, Esq.
Email: rbaranello@harrisbeach.com

To the Company: Li-Cycle North America Hub, Inc.
c/o Li-Cycle Holdings Corp.
207 Queen's Quay West, Suite 590
Toronto, Ontario M5J1A7
Attn: General Counsel

With a Copy to: Barclay Damon LLP
Barclay Damon Tower, 12th Floor
125 East Jefferson Street
Syracuse, New York 13202
Attn: Kevin R. McAuliffe, Esq.
Email: kmcauliffe@barclaydamon.com

or at such other address as any party may from time to time furnish to the other party by notice given in accordance with the provisions of this Section. All notices shall be deemed given when mailed, e-mailed or personally delivered in the manner provided in this Section.

8.3 This PILOT Agreement shall be governed by, and all matters in connection herewith shall be construed and enforced in accordance with, the laws of the State of New York applicable to agreements executed and to be wholly performed therein and the parties hereto hereby agree to submit to the personal jurisdiction of the federal or state courts located in Monroe County, New York.

8.4 Notwithstanding any other term or condition contained herein, all obligations of the Agency hereunder shall constitute a special obligation payable solely from the revenues and other monies, if any, derived from the Facility and paid to the Agency by the Company. Neither member of the Agency nor any person executing this PILOT Agreement on its behalf shall be liable personally under this PILOT Agreement. No recourse shall be had for the payment of the principal or interest on amounts due hereunder or for any claim based upon or in respect of any modification of or supplement hereto against any past, present or future member, officer, agent, servant, or employee, as such, of the Agency, or of any successor or political subdivision, either directly or through the Agency or any such successor, all such liability of such members, officer, agents, servants and employees being, to the extent permitted by law, expressly waived and released by the acceptance hereof and as part of the consideration for the execution of this PILOT Agreement.

Section 9 - JobsPlus Tax Abatement Policy.

9.1 Jobs Requirement. The Company shall create, at the Facility, one hundred (100) new full-time/full-time equivalent jobs in three (3) years of completion of the Facility and maintain those new full-time/full-time equivalent jobs, at the Facility, for the balance of the fifteen (15) year term hereof.

9.2 Compliance Report. The Company shall report its compliance with these provisions as requested by the Agency, or its project compliance monitor.

9.3 Job Failure. If the one hundred (100) new full-time/full-time equivalent jobs are not created at the Facility by the end of the three (3) year period or not continuously maintained at the Facility during the balance of the term hereof, the exemption schedule will revert back to Section 485-b of the New York RPTL and the Company agrees to pay in any year for which the job creation requirements are not met (a "Disqualifying Year"), as an additional payment in lieu of taxes, an amount equal to the difference between the tax benefits received in years one through the Disqualifying Year under this PILOT Agreement and the tax benefits which would have been received in years one through the Disqualifying Year under Section 485-b of the New York RPTL. Under extenuating circumstances, the Agency Board may waive the above penalties after reviewing a written request from the Company for waiver of the penalties.

9.4 Waiver Process. The payments required hereunder for any non-compliance shall be paid by the Company to any and all Affected Tax Jurisdictions whether or not billed. However, if the Company has made a good faith effort to achieve the job creation requirement, it may apply in writing for relief from the obligation for repayment of taxes abated, based on a showing of unforeseen economic circumstances, fiscal hardship, or other good cause. Application for relief from the repayment obligation shall be made to the Agency, which shall examine the application and grant relief, in whole or in part, from the repayment obligation or grant an alternate schedule for attaining the job creation requirement.

9.5 Benefit Period. In no event shall the Company be entitled to receive real property tax benefits relative to the Facility for more than fifteen (15) consecutive years. The Company agrees that it will not seek any real property tax exemption for the Facility which would provide benefits for more than fifteen (15) consecutive years. Notwithstanding the foregoing, nothing contained in this PILOT Agreement shall render the Company ineligible for a continued tax exemption under Real Property Tax Law Section 485-b or any other applicable statute if this PILOT Agreement is terminated prior to the expiration of the exemption schedule set forth herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and year first above written.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: 
Name: Ana J. Liss
Title: Executive Director

LI-CYCLE NORTH AMERICA HUB, INC.

By: _____
Name: Christopher J. Biederman
Title: CTO

IN WITNESS WHEREOF, the parties hereto have executed this PILOT Agreement as of the day and year first above written.

**COUNTY OF MONROE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Name: Ana J. Liss
Title: Executive Director

LI-CYCLE NORTH AMERICA HUB, INC.

By: Christopher J. Biederman
Name: Christopher J. Biederman
Title: CTO

SCHEDULE A
TO PAYMENT-IN-LIEU-OF-TAX AGREEMENT

Prior to the completion of the Facility, the PILOT Payment shall be based on the Base Valuation (as hereinafter defined).

Within thirty (30) days after the receipt of a certificate of occupancy from the Town of Greece or other appropriate municipal agency ("COO") for the Facility, the Company shall: (1) complete and execute the form attached hereto as **Appendix A** and (2) send the executed form to the Agency, each Affected Tax Jurisdiction and the applicable assessor's office. Notwithstanding the foregoing, the Town of Greece has the right but not the obligation to notice the Agency and other Affected Taxing Jurisdictions that a COO has been issued for the Facility. After the issuance of the COO and in compliance with the terms of this PILOT Agreement, the Company shall make payments directly to the Affected Taxing Jurisdictions in the amounts set forth on this **Schedule A** as follows.

The following capitalized terms as used herein, shall have the meaning given below:

"Added Value" shall mean the lesser of (i) the assessed value of the Improvements, as determined by the Town of Greece, or (ii) \$250,000,000.

"Base Valuation" shall mean the assessed value of the Land and any existing improvements before the completion of any Improvements.

The PILOT Payment for the Facility after receipt of a COO shall be calculated as follows:

([Base Valuation] ***plus*** [Added Value, multiplied by the abatement factor set forth in the table below]) ***multiplied by*** the respective tax rate for each Affected Tax Jurisdiction (after any applicable equalization rate).

<u>Year</u>	<u>PILOT Payment</u>
1	Base Valuation, plus (Added Value x .10)
2	Base Valuation, plus (Added Value x .10)
3	Base Valuation, plus (Added Value x .20)
4	Base Valuation, plus (Added Value x .20)
5	Base Valuation, plus (Added Value x .30)
6	Base Valuation, plus (Added Value x .30)
7	Base Valuation, plus (Added Value x .40)
8	Base Valuation, plus (Added Value x .40)
9	Base Valuation, plus (Added Value x .50)
10	Base Valuation, plus (Added Value x .50)
11	Base Valuation, plus (Added Value x .60)
12	Base Valuation, plus (Added Value x .60)
13	Base Valuation, plus (Added Value x .70)
14	Base Valuation, plus (Added Value x .80)
15	Base Valuation, plus (Added Value x .90)

After Year 15, the Facility shall be subject to full taxation by the Affected Tax Jurisdictions.

APPENDIX A

NOTICE OF CERTIFICATE OF OCCUPANCY

This notice is to confirm that the Facility received a Certificate of Occupancy on _____, 20___. The Certificate of Occupancy is attached hereto.

IN WITNESS WHEREOF, LI-CYCLE NORTH AMERICA HUB, INC. has executed this Notice of Certificate of Occupancy as of the day _____ of _____, 20__.

LI-CYCLE NORTH AMERICA HUB, INC.

By: _____

Name:

Title: