

# NYSE STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES



**NOUVEAU MONDE** GRAPHITE

## NYSE STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

The common shares of Nouveau Monde Graphite Inc. (“NMG” or the “Company”) are listed in the United States on the New York Stock Exchange (the “NYSE”). The Company is a “foreign private issuer” as defined in Rule 3b-4 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Section 303A of the NYSE Listed Company Manual (the “NYSE Manual”) permits the NYSE to consider the laws, customs and practices of foreign private issuers in relaxing certain NYSE listing criteria, and to grant exemptions from NYSE listing criteria based on these considerations. Indeed, as a Canadian corporation, NMG is not required to comply with most of the NYSE corporate governance standards, so long as it complies with Canadian corporate governance practices. The Company believes the following to be the significant differences between its corporate governance practices and NYSE corporate governance rules applicable to U.S. companies:

### 1. Shareholder Meeting Quorum Requirement

The NYSE typically expects listed issuers to have a quorum requirement of a majority of the issuer’s outstanding shares. However, quorum for a meeting of shareholders of NMG is present, irrespective of the number of persons actually present at the meeting, if the holders of shares entitled to more than 10% of the votes which may be cast at such meeting are present in person or represented by proxy.

### 2. Shareholder Approval Requirement for Issuing Securities

The NYSE requires a listed issuer to obtain the approval of its shareholders for certain types of securities issuances, including any transaction or series of transactions (other than public offerings for cash or in certain other cases of financings for cash) that would result in the issuance of common shares (or securities convertible into common shares) equal to 20% or more of presently outstanding shares. The Company follows the shareholder approval requirements listed in Part 4 and Part 5 of the TSX Venture Exchange Corporate Finance Manual (the “TSXV Manual”) in connection with certain securities issuances, including private placements.

### 3. Shareholder Approval Requirement for Equity Compensation Plans

The NYSE requires shareholder approval of all equity compensation plans and material revisions to such plans, with limited exemptions set out in the NYSE Manual. The Company follows the shareholder approval requirements listed in Part 4 of the TSXV Manual in connection with incentives stock options.

### 4. Proxy Delivery Requirement

The NYSE requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings and requires that these proxies be solicited pursuant to a proxy statement that conforms to the proxy rules of the U.S. Securities and Exchange Commission. As a foreign private issuer, the Company is exempt from the proxy rules set forth under the

Exchange Act. The Company follows home country requirements relating to the solicitation of proxies.

## **5. Compensation Committee**

The NYSE requires each listed issuer to determine the compensation of the Company's officers either by a compensation committee composed entirely of independent directors, each of whom satisfies the additional independence requirements specific to compensation committee membership set forth in the NYSE Manual, and such compensation committee must have a written charter that meets the requirements of the NYSE Manual. The Company follows home country requirements relating to the composition and the charter of its Human Resources, Nominating and Compensation Committee.

## **6. Nominating and Corporate Governance Committee**

The NYSE requires each listed issuer to select director nominations by a nominating and corporate governance committee composed entirely of independent directors, and such nominating and corporate governance committee must have a written charter that meets the requirements of the NYSE Manual. The Company follows home country requirements relating to the composition of its Human Resources, Nominating and Compensation Committee as well as its Governance, Compliance & Legal Committee.

The foregoing is consistent with the laws, customs, and practices in Canada.