LOOP ENERGY INC.

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

Dated: May 12, 2023

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To the shareholders of Loop Energy Inc. (the "Company" or "Loop"):

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders (the "Meeting") of the Company will be held on **June 22, 2023 at 11:00 a.m.** (Pacific Time). This year's Meeting will be held online at https://meetnow.global/MZ6R6WQ. You will be able to attend the Meeting, vote and submit your questions during the Meeting via live webcast. The Meeting is being held for the following purposes:

1. To receive the financial statements of the Company for the year ended December 31, 2022 together with the report of the Company's auditor thereon.

2. To elect the directors of the Company to hold office until the Company's next annual general meeting of shareholders or until such director's successor is elected and qualified.

3. To reappoint KPMG LLP as auditors of the Company for the ensuing year and authorize the directors to fix their remuneration.

4. To transact such other business as may properly come before the Meeting.

The Company has fixed the close of business on **May 10, 2023** as the record date for the determination of shareholders who are entitled to receive notice of and to vote at the Meeting. **Only shareholders of record as of the close of business on May 10, 2023 are entitled to receive notice of and to vote at the Meeting and any postponements or adjournments thereof.**

If you are a registered shareholder of the Company and do not expect to attend the virtual Meeting, please complete, date and sign the enclosed form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), in accordance with the instructions set out in the form of proxy and the accompanying management information circular. Proxies must be deposited with the Transfer Agent at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and hold your shares through a broker, financial institution or other intermediary (an "Intermediary"), please carefully follow the instructions set forth in the materials provided by your Intermediary.

Dated at Burnaby, British Columbia, May 12, 2023.

By order of the Board of Directors,

(signed) "*Ben Nyland*"
Ben Nyland
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

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INFORMATION ABOUT MEETING AND MEETING MATERIALS

General

This management information circular (this "Circular") is provided in relation to the solicitation of proxies by or on behalf of management of Loop Energy Inc. ("we", "us", "our", "Loop" or the "Company", as applicable) for use at the annual general meeting of shareholders (the "Meeting") of the Company to be held at **11:00 a.m. (Pacific Time) on June 22, 2023** or any adjournment or postponement thereof. Unless otherwise indicated, the information provided in this Circular is provided as of May 12, 2023.

The Meeting is being held for the following purposes:

1. To receive the financial statements of the Company for the year ended December 31, 2022 together with the report of the Company's auditor thereon.

2. To elect the directors of the Company to hold office until the Company's next annual general meeting of shareholders or until such director's successor is elected and qualified.

3. To reappoint KPMG LLP ("KPMG") as auditors of the Company for the ensuing year and authorize the directors to fix their remuneration.

4. To transact such other business as may properly come before the Meeting.

Notice-and-Access

This year, the Company has elected to use the notice and access model provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting* Issuer ("NI 54-101") and National Instrument 51-102 – *Continuous Disclosure Obligations* for distribution of the Notice of Meeting, the form of proxy (the "Proxy") or voting information form (the "Voting Instruction Form"), as applicable, and this Circular (collectively, the "Meeting Materials") to both registered shareholders and non-registered shareholders. Under the notice and access model, instead of receiving a printed copy of the Meeting Materials, shareholders receive a notice (the "Notice-and-Access Notification") with information as to the date, location and purpose of the Meeting, as well as information on how they may access the Meeting Materials electronically. The Company is utilizing notice and access for delivering the Meeting Materials to shareholders in order to reduce the cost of holding the Meeting.

The Company's transfer agent is Computershare Investor Services Inc. ("Computershare"). As described in the Notice-and-Access Notification, the Company will, in accordance with NI 54-101 deliver the Meeting Materials to shareholders by posting the Meeting Materials to Computershare's website at http://www.envisionreports.com/LoopEnergy2023AGM. The Meeting Materials will be available at this link on May 16, 2023 and will remain on the website for one full year thereafter. Additionally, the Company will post the Meeting Materials under the Company's profile on SEDAR at www.sedar.com on May 16, 2023.

Shareholders may request to receive paper copies of the Meeting Materials by mail at no cost. Requests for paper copies may be made using your control number as it appears on the Proxy or Voting Instruction Form. To ensure receipt of such documents in advance of the voting deadline and meeting date, all requests must be received no later than June 20, 2023. Shareholders with a 15-digit control number who wish to receive paper copies of the Meeting Materials may request copies by calling Computershare toll free in North America at 1-866-962-0498 or direct, from inside or outside of North America, at 514-982-8716 and entering your control number as indicated on your Proxy or Voting Instruction Form. Shareholders with a 16-digit control number who wish to receive paper copies of the Notice of Meeting and this Circular may request copies by calling Broadridge toll free in North America at 1-877-907-7643 or direct, from inside or outside of North America, at (905) 507-5450 and entering your control number as indicated on your Proxy or Voting Instruction Form. Meeting Materials will be sent to such Shareholders at no cost to them within three business days of their request if such requests are made before the Meeting. To obtain paper copies of the materials after the meeting date, please contact (604) 222-3400 Ext. 418.

Record Date

The board of directors of Loop (the "Board") has fixed the close of business on **May 10, 2023** as the record date (the "Record Date") for the Meeting. **Only shareholders of record as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting and any postponements or adjournments thereof.**

Persons Making the Solicitation and Solicitation Costs

The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact with shareholders. Except as described under the heading "*How to Vote Your Shares – Non-Registered Shareholders*", the Company will pay the cost of solicitation.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed Proxy (the "Management Proxyholders") are directors and/or officers of the Company.

A registered shareholder is not required to appoint a Management Proxyholder as their proxyholder. Rather, a registered shareholder has the right to appoint a different person or company, who need not be a shareholder, to represent the shareholder at the Meeting by striking out the names of the persons named in the Proxy and inserting the name of the desired person or company in the blank space provided. If you leave the space on the Proxy blank, the Management Proxyholders will be appointed to act as your proxyholder.

A Proxy will only be valid if it is duly completed, signed, dated and received by Computershare, in accordance with the instructions provided on the Proxy, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof, provided that the chair of the Meeting will have the discretion to accept Proxies received after this deadline. The chair of the Meeting is under no obligation to accept or reject any particular late Proxy.

Voting of Shares and Exercise of Discretion

Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, their Common Shares (as defined below) will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote <u>in favour</u> of the matters specified in the Notice of Meeting and <u>in favour</u> of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Revocation of Proxies

A registered shareholder may revoke a Proxy by delivering an instrument in writing executed by the registered shareholder or by the registered shareholder's attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of the corporation, either at the office of the Company at any time up to and including the last business day preceding the day of the Meeting, or with the consent of the chair of the Meeting, on the day of the Meeting or any adjournment or postponement thereof (before any vote in respect of which the Proxy is to be used shall have been taken). A registered shareholder may also revoke a Proxy by depositing another properly executed Proxy bearing a later date with Computershare in the manner described above or in any other manner permitted by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to such revocation.

Only registered shareholders have the right to revoke a Proxy. Non-registered shareholders who wish to change their voting instructions must, in sufficient time in advance of the Meeting, arrange for the Company (where the non-registered Shareholder is a NOBO (as defined below)) or their Intermediaries (where the non-registered shareholder is an OBO (as defined below)) to change their vote and, if necessary, revoke their Proxy.

How to Vote Your Shares

Registered Shareholders

Only registered shareholders whose names appear on the records of the Company's central security register as at the close of business on the Record Date, or their duly appointed proxyholders, are permitted to vote at the Meeting. If you are a registered shareholder, you may vote by attending the Meeting in person or, if you do not plan to attend the Meeting, by completing the enclosed form of proxy and delivering it according to the instructions contained in the Proxy and this Circular. If you intend to attend the Meeting and vote your shares in person, you do not need to complete a Proxy.

Non-Registered Shareholders

Most holders of common shares of the Company ("Common Shares") are "non-registered shareholders" because the common shares they own are not registered in their names but, rather, are registered in name of (i) a brokerage firm, financial institution or other intermediary (an "Intermediary") or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

If you are a non-registered shareholder, the documents that you receive, and who you receive them from, will vary depending upon whether you are a "non-objecting beneficial owner" (a "NOBO"), which means you have provided instructions to your Intermediary that you do not object to the Intermediary disclosing beneficial ownership information about you to the Company for certain purposes, or an "objecting beneficial owner" (an "OBO"), which means that you have provided instructions to your Intermediary that you object to the Intermediary disclosing such beneficial ownership information. In either case, you have the right to exercise voting rights attached to your Common Shares, including the right to attend and vote the Common Shares directly at the Meeting, if you follow the procedures outlined below.

Non-Objecting Beneficial Owners

If you are a NOBO, and unless you have previously informed your Intermediary that you do not wish to receive materials relating to the Meeting, you should receive or have already received from the Company or its agent a Notice-and-Access Notification and a Voting Instruction Form pursuant to NI 54-101. These materials are being sent to both registered shareholders and non-registered shareholders. If you are a non-registered shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding the Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Voting Instruction Form.

If you wish to attend the Meeting and vote, write your name in the place provided for that purpose in the Voting Instruction Form provided to you and we will deposit it with Computershare or, if you request on the Voting Instruction Form, we will send you a Proxy that will grant you or your appointee the right to attend the online Meeting and vote. If you do not intend to attend the Meeting or have an appointee do so on your behalf but you wish your Common Shares to be voted, please complete and return the information requested in the Voting Instruction Form to provide your specific voting instructions. If you do not return your voting instructions as specified in the Voting Instruction Form, your Common Shares will not be voted.

Objecting Beneficial Owners

The Company does not intend to pay for Intermediaries to forward the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to non-registered shareholders who are OBOs under NI 54-101. OBOs will not receive the materials unless the OBO's Intermediary assumes the cost of delivery. If you receive or have already received from your Intermediary either a Voting Instruction Form or a Proxy, follow the instructions provided in order to ensure your Common Shares are voted in accordance with your instructions. Intermediaries have their own mailing procedures and provide their own instructions. These procedures may allow for providing voting instructions by telephone, on the Internet, by mail or by fax. If you wish to vote virtually at the Meeting, you should follow the procedure in the instructions provided by or on behalf of your Intermediary and insert your name in the space provided on the Voting Instruction Form or Proxy or request a form of legal proxy which will grant you the right to attend the Meeting and vote in person.

The purpose of the above procedures is to permit non-registered shareholders to direct the voting of the Common Shares they beneficially own. In either case, non-registered shareholders should carefully follow the instructions of their Intermediary or the Company, as applicable, including those regarding when and where the Proxy or Voting Instruction Form is to be delivered.

A non-registered shareholder may revoke a Voting Instruction Form or any waiver of their right to receive materials relating to a meeting which has been given to an Intermediary at any time by written notice to the Intermediary. An Intermediary is not required to act on a revocation of a Voting Instruction Form or of a waiver of the right to receive materials relating to a meeting which is not received by the Intermediary at least seven days prior to the Meeting.

Interest of Certain Persons in Matters to be Acted Upon

Other than as set forth under the heading "Principal Holders of Voting Securities" or elsewhere in this Circular, no person who has been a director or senior officer of the Company at any time since the beginning of the last financial year, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

INFORMATION CONCERNING THE COMPANY

General

The head office of the Company is located at 2880 Production Way, Burnaby, BC, V5A 4T6, Canada. The registered office of the Company is located at c/o McCarthy Tetrault, 2400 – 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5.

The Company became a reporting issuer on February 18, 2021 in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island and Quebec, and completed its initial public offering (the "IPO") on February 26, 2021. Following completion of the IPO, the Common Shares were listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "LPEN".

Voting Securities

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the date hereof, 34,312,571 Common Shares were issued and outstanding as fully paid and non-assessable shares in the capital of the Company. Shareholders are entitled to one vote per Common Share held at meetings of Shareholders, to receive dividends, if, as and when declared by the Board, and to receive pro rata the remaining property and assets of the Company upon its dissolution or winding up.

Principal Holders of Voting Securities

As of the date hereof, to the knowledge of the directors and executive officers of the Company, the only person who beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company is set out below:

Name and Address	Number of Shares Owned, Controlled or Directed	Percentage of Shares Outstanding
Apollo FC Holdings Ltd.	6,944,445	20.2%

Apollo FC Holdings Ltd. ("Apollo") is a wholly owned subsidiary of Cummins Inc., an American multinational corporation based in Columbus, Indiana, that designs, manufactures, distributes and services diesel, natural gas, electric and hybrid engines and components including batteries, electrified power systems, hydrogen production and fuel cell products. On February 4, 2021, the Company and Apollo entered into an investor rights agreement (the "Investor Rights Agreement") which governs certain rights of Apollo in its capacity as a shareholder of the Company. Among other things, the Investor Rights Agreement provides that Apollo shall be entitled to designate one nominee (the "Apollo Nominee") for election to the Board for so long as Apollo, together with any of its affiliates (the "CMI Group"), beneficially owns, in the aggregate, 10% or more of the outstanding Common Shares. A copy of the Investor Rights Agreement was filed under the Company's profile on SEDAR at www.sedar.com on February 18, 2021.

Currency

All dollar amounts in this document are expressed in Canadian dollars unless otherwise indicated.

MATTERS TO BE CONSIDERED AT THE MEETING

Receive Financial Statements

The Company's consolidated financial statements for the year ended December 31, 2022 will be received by shareholders of the Company at the annual general meeting. A copy of these financial statements may be found under the Company's profile on SEDAR at www.sedar.com and will be mailed to registered shareholders as required under the *Business Corporations Act* (British Columbia) ("BCBCA") and to non-registered shareholders who have requested such financial statements.

Election of Directors

Each director of the Company is elected annually and holds office until the close of business of the next annual meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless that person's office is earlier vacated in accordance with the Articles or with the provisions of the BCBCA. Voting for the election of directors will be conducted on an individual, and not slate, basis. The Board has adopted a majority voting policy. For more information, please refer to the heading "Majority Voting Policy" below under "Corporate Governance".

No person is eligible for election as a director of the Company unless nominated in accordance with the advance notice provisions included in the Articles. Among other things, the Advance Notice Provisions fix a deadline by which registered shareholders must submit director nominations to the Company prior to any annual or special meeting of shareholders at which directors will be elected and sets forth the specific information that a shareholder must include in the written notice to Company.

Nominees

The following table provides the names of management's nominees for election as directors, all major offices and positions with the Company, each nominee's principal occupation, the period of time during which each has been a director, and information regarding the number of Common Shares and stock options held by each of them as of the date of this Circular. In the absence of contrary instructions, the Management Proxyholders named as proxyholders will cast the votes represented by any Proxy or Voting Instruction Form, as applicable, **FOR** the election of such nominees as directors.

<table>
<tr><td colspan="3" rowspan="2">KENT THEXTON
Toronto, Ontario, Canada
Age: 60
Position: Chair of the Board, Director (Independent)
Director Since: June 2022</td><td>Principal Occupation During Last Five Years</td></tr>
<tr><td>Mr. Thexton was the President and CEO at Sierra Wireless from June 2018 to August 2021. Prior to that he was the Founder and General Partner at ScaleUP Venture Partners from May 2016 to October 2018.</td></tr>
<tr><td>Board/Committee Membership</td><td colspan="2">2022 Attendance</td><td>Other Public Company Board Memberships</td></tr>
<tr><td>Board of Directors</td><td>3 of 3(1)</td><td>100%</td><td>Board member at EV Technology Group Ltd.</td></tr>
<tr><td colspan="4">Common Shares, Options and Share Units Held as of May 12, 2023</td></tr>
<tr><td colspan="4">Common Shares: 29,800
Options: 0
Restricted Share Units: 29,599</td></tr>
</table>

(1) Kent Thexton was appointed to the Board, as Chair of the Board, and to the Audit Committee on June 16, 2022, and participated in all Board and Audit Committee meetings that occurred after his respective appointments.

BENJAMIN NYLAND West Vancouver, British Columbia, Canada Age: 52 **Position:** President, CEO and Director (*Non-Independent*) **Director Since:** June 2016			**Principal Occupation During Last Five Years** Mr. Nyland has been President of the Company since January 2015 and Chief Executive Officer of the Company since June 2016.
Board/Committee Membership	**2022 Attendance**		**Other Public Company Board Memberships**
Board of Directors	7 of 7	100%	None
Common Shares, Options and Share Units Held as of May 12, 2023			
Common Shares: 282,319(1) **Options:** 732,666 **Restricted Share Units:** 84,709			

(1) Includes 210,000 Common Shares owned by Nyland Family Trust, a trust in which Mr. Nyland is the sole trustee.

PAUL CATAFORD Calgary, Alberta, Canada Age: 59 **Position:** CFO, Corporate Secretary and Director (Non-*Independent*) **Director Since:** December 2022			**Principal Occupation During Last Five Years** Mr. Cataford is the (interim) Chief Financial Officer and Corporate Secretary and also a Director. Mr. Cataford is also the Board Chair of Titan Medical Inc., a medical device company specializing in robotic-assisted surgery, and the Executive Director at Business Link, a government-funded not-for-profit company serving small businesses owners and entrepreneurs in the Province of Alberta. Prior to his current roles, Mr. Cataford was the Interim President & CEO of Titan Medical Inc. from December 1, 2021 until July 1, 2022. Prior to that, Mr. Cataford, was the CEO and co-founder of Zephyr Sleep Technologies Inc., a private medical device company specializing in the treatment and diagnoses of sleep-disordered breathing from 2010 to 2021. Mr. Cataford has also served as an independent corporate director on a number of public boards of directors at companies listed on the TSX, TSX-V and Nasdaq, including: Sierra Wireless Inc., Trakopolis IoT Corp., SemiBioSys Genetics Inc. and AGJunction Inc. Mr. Cataford has a Bachelor of Science degree in Mechanical Engineering from Queen's University, an MBA specializing in Finance from Schulich School of Business at York University, and is a graduate of the Directors College, Rotman School of Business at the University of Toronto.
Board/Committee Membership	**2022 Attendance**		**Other Public Company Board Memberships**
Board of Directors	0 of 0(1)	N/A	Board Chair at Titan Medical (since October 2020)
Common Shares, Options and Share Units Held as of May 12, 2023			
Common Shares: 0 **Options:** 0 **Restricted Share Units:** 0			

(1) Paul Cataford was appointed to the Board on December 15, 2022 and has participated in all Board and Audit Committee meetings that occurred after his respective appointment.

ANDREAS TRUCKENBRODT

Nanaimo, British Columbia, Canada
Age: 70

Position: Chair of Governance Human Resources Nominating and Compensation Committee ("GHRNC Committee") and Director (*Independent*)

Director Since: March 2014

Principal Occupation During Last Five Years

Dr. Truckenbrodt has been the President of Truckenbrodt Clean Energy Consulting Inc. since March 2014, providing strategic and technical advice to companies with respect to their clean energy transport programs.

Board/Committee Membership	2022 Attendance		Other Public Company Board Memberships
Board of Directors	7 of 7	100%	None
GHRNC Committee (Chair)	3 of 3	100%	

Common Shares, Options and Share Units Held as of May 12, 2023

Common Shares: 236,512(1)
Options: 109,300
Restricted Share Units: 22,002

(1) Includes 33,333 Common Shares owned by Truckenbrodt Clean Energy Consulting Inc., a company owned by Dr. Truckenbrodt.

SOPHIA LANGLOIS

Calgary, Alberta, Canada
Age: 54

Position: Director, Chair of Audit Committee (*Independent*)

Director Since: February 2021

Principal Occupation During Last Five Years

Ms. Langlois has been a corporate director of Essential Energy Services Ltd. since November 2022, where she currently serves as the chair of the audit committee and as a member of the Compensation & Governance Committee, and a director of Alaris Equity Partners Income Trust from July 2020 to present, where she currently serves as the Chair of the audit committee and is a member of the compensation committee. She is also a director of the Telus Spark Science Centre where she is the chair of the audit committee. She was a board member at the Southern Alberta Institute of Technology from 2014 until 2020, serving as the vice chair of the board of directors, chair of the audit committee, and a member of the executive committee. She was an Audit Partner at KPMG LLP ("KPMG") from October 2006 to April 2020. Ms. Langlois holds the Chartered Professional Accountant (CPA, CA) designation, the Chartered Professional in Human Resources (CPHR) designation and the ICD.D designation from the Institute of Corporate Directors.

Board/Committee Membership	2022 Attendance		Other Public Company Board Memberships
Board of Directors	7 of 7	100%	Essential Energy Services Ltd. (November 2022)
Audit Committee (Chair)	4 of 4	100%	Alaris Equity Partners Income Trust (July 2020)
GHRNC Committee	3 of 3	100%	

Common Shares, Options and Share Units Held as of May 12, 2023

Common Shares: 33,676
Options: 7,000
Restricted Share Units: 16,501

CHRISTOPHER CLULOW Indianapolis, Indiana, USA Age: 51 **Position:** Director (*Independent*)[1] **Director Since:** March 2021			**Principal Occupation During Last Five Years** Mr. Clulow has been employed with Cummins Inc. since 2004 and currently holds the position of VP, Investor Relations (since March 2022). From March 2017 to March 2022, he held the position of Corporate Controller and prior to that he served as Components Controller from April 2015 to March 2017. Cummins Inc. is an American multinational corporation that designs, manufactures, distributes and services diesel, natural gas, electric and hybrid engines and components including batteries, electrified power systems, hydrogen production and fuel cell products. Cummins Inc. indirectly owns approximately 20.3% of the issued and outstanding Common Shares through Apollo.
Board/Committee Membership	**2022 Attendance**		**Other Public Company Board Memberships**
Board of Directors GHRNC Committee	6 of 7 3 of 3	86% 100%	None
Common Shares, Options and Share Units Held as of May 12, 2023			
Nil			

(1) Nominated by Apollo, a significant shareholder of the Company, pursuant to the Investor Rights Agreement. For more information, refer to the section above entitled “Principal Holders of Voting Securities”.

Brad Miller Vancouver, British Columbia, Canada Age: 59 **Position:** Director (*Independent*) **Director Since:** January 2023			**Principal Occupation During Last Five Years** Owner & President of AdvanTec Global Innovations.
Board/Committee Membership	**2022 Attendance**		**Other Public Company Board Memberships**
Board of Directors GHRNC Committee Audit Committee	0 of 0[1] 0 of 0[1] 0 of 0[1]	N/A N/A N/A	Board member at Cloud DX CDX.V
Common Shares, Options and Share Units Held as of May 12, 2023			
Common Shares: 0 **Options:** 0 **Restricted Share Units:** 0			

(1) Brad Miller was appointed to the Board, GHRNNC Committee and Audit Committee on January 30, 2023, and participated in all Board and Audit Committee meetings that occurred after his respective appointments.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, or shareholder.

Paul Cataford served as chief executive officer of ZST Holdings Inc. and its wholly-owned subsidiary Zephyr Sleep Technologies Inc. (collectively, "Zephyr") from September 2010 to June 2021 and director of Zephyr from September 2010 to June 2021 when Zephyr ceased business operations and entered into a collateral surrender agreement with Dentsply Sirona Inc. ("DSI"), a strategic shareholder, after defaulting on indebtedness owed to DSI under a secured and subordinated shareholder promissory note and related security agreement entered into with DSI in January 2019.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Penalties or Sanctions

To the knowledge of the Company, no proposed director, officer, promoter or control person of the Company has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision.

Personal Bankruptcies

To the knowledge of the Company, no proposed director, officer, promoter or control person of the Company has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Appointment of Auditor

The Board recommends, on the advice of the Audit Committee, that KPMG be appointed as auditors of the Company for the ensuing year, at a remuneration to be fixed by the Board. KPMG was first appointed as auditor of the Company on September 25, 2012.

The Board recommends a vote **FOR** the approval of the resolution appointing KPMG as auditor at a remuneration to be determined by the Board. In the absence of contrary instructions, the Management Proxyholders named as proxyholders will cast the votes represented by any proxy or Voting Instruction Form, as applicable, **FOR** the approval of the resolution appointing KPMG as auditor at a remuneration to be determined by the Board.

DIRECTOR COMPENSATION

Compensation Philosophy

The Board is responsible for developing the company's director compensation philosophy and has delegated the review and administration of the directors' compensation program to the Governance, Human Resources, Nomination and Compensation Committee (“GHRNC”). Our director compensation plan is designed to attract and retain well-qualified directors with the appropriate skills and experience.

Our non-employee director compensation plan includes a mix of cash and share-based compensation. Loop believes this compensation structure promotes strong director engagement, enables ownership in the company, and aligns with shareholder interests without emphasizing short-term common share price performance. Non-employee directors do not participate in our incentive/performance-based compensation components.

In August 2021, Loop transitioned director annual equity retainers from stock options to restricted share units (“RSUs”).

Director Compensation Benchmarking

The GHRNC reviews non-employee director compensation periodically to ensure our approach is competitive at the median of the competitive market and takes into account current governance and market trends. The GHRNC benchmarks director compensation against the same peer group used to benchmark the senior executive team.

Compensation Program for Directors

The director compensation plan consists of annual Board Member, Committee Chair, and Board Chair compensation in accordance with the following:

Component	Base Compensation ($)	Long Term Incentive Compensation ($)	Total ($)
Board Retainer			
Board Members	25,000	75,000	100,000
Committee Chair and Board Chair Additional Retainer			
Audit Committee Chair	15,000	-	15,000
Governance, HR, Nominating and Compensation Chair	10,000	-	10,000
Board Chair	10,000	25,000	35,000

Long Term Incentive Compensation

The Long Term Incentive Compensation is currently in the form of RSUs and previously included Stock Options. Under the terms of the Company’s Omnibus Equity Incentive Plan (“Equity Incentive Plan”), any non-employee director of the company may be granted Stock Options up to a maximum annual value of $100,000 and the aggregate value of all awards up to a maximum annual value of $150,000. The aggregate number of shares issuable to directors under all of the Corporations security-based compensation arrangements is 1% of the total of issued and outstanding shares and the aggregate number of shares issuable under all of the Corporations security-based compensation arrangements is 10% of the total of issued and outstanding shares. The number of RSUs granted to directors is determined by dividing the dollar amount of the grant by the volume weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the grant date as required under the Equity Incentive Plan.

Director Total Compensation

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to each non-management director of the Company for the year ended December 31, 2022.

	Fees earned		Share-based awards[1]	Option-based awards[2]	Non-equity incentive plan compensation	Pension value	All other compen-sation	Total
	($)		($)	($)	($)	($)	($)	($)
	Base Compensation	Long Term Incentive Compensation						
Ben Nyland[3]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Christopher Clulow[4]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Allan Collings[6]	$ 23,845	$ -	$ 74,999	$ -	$ -	$ -	$ -	$ 98,844
Peter Johansson[6]	$ 23,845	$ -	$ 74,999	$ -	$ -	$ -	$ -	$ 98,844
Sophia Langlois	$ 40,000	$ -	$ 74,999	$ -	$ -	$ -	$ -	$ 114,999
Neil Murdoch	$ 25,000	$ -	$ 74,999	$ -	$ -	$ -	$ -	$ 99,999
Dr. Andreas Truckenbrodt	$ 29,588	$ -	$ 99,999	$ -	$ -	$ -	$ -	$ 129,587
Kent Thexton[5]	$ 19,038	$ -	$ 54,166	$ -	$ -	$ -	$ -	$ 73,204
Paul Cataford[7]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(1) This column represents the grant date fair value of RSUs granted to directors in the year as long-term incentive awards. The grant date fair value shown in this column is calculated by multiplying the number of RSUs awarded by the volume weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant, as required under the Equity Incentive Plan. This valuation methodology is the same as the accounting for value.
(2) This column represents the grant date fair value of RSUs granted to directors in the year as long term incentive compensation.
(3) Mr. Nyland is the Chief Executive Officer of the Company and therefore did not receive any compensation as a director. See "Statement of Executive Compensation" for information on Mr. Nyland's compensation.
(4) Pursuant to the Investor Rights Agreement, Mr. Clulow was nominated for election to the Board by Apollo. Mr. Clulow did not receive any compensation related to his role as director during the year.
(5) Kent Thexton joined the Board in June 2022 and received only a partial allocation of RSUs for 2022.
(6) Peter Johansson and Allan Collings resigned from the Board in December 2022.
(7) Mr. Cataford joined the Board in December 2023 and is the Chief Financial Officer & Corporate Secretary (Interim) and therefore did not receive any compensation as a director. See "Statement of Executive Compensation" for information on Mr. Cataford's compensation.

Outstanding Share-Based Awards and Other Option-Based Awards

The following table sets out, for each non-management director, all share-based awards and option-based awards outstanding as at December 31, 2022:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date[(2)]	Value of unexercised in-the-money options[(2)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested[(3)] ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Ben Nyland[(4)]	-	$ -	n/a	$ -	-	$ -	$ -
Christopher Clulow[(5)]	-	$ -	n/a	$ -	-	$ -	$ -
Neil Murdoch	7,000[(1)]	$ 16.00	2031-02-25	$ -	24,752	$ 25,990	$ -
	183,333	$ 0.74	2023-09-23	$ 57,101			$ -
Sophia Langlois	7,000[(1)]	$ 16.00	2031-02-25	$ -	24,752	$ 25,990	$ -
Dr. Andreas Truckenbrodt	100,000 9,300[(1)]	$ 0.74 $ 16.00	2024-05-15 2031-02-25	$ 31,146 $ -	33,003	$ 34,653	$ -
Kent Thexton[(6)]	-	$ -	n/a	$ -	29,599	$ 31,079	$ -
Paul Cataford [(7)]	-	$ -	n/a	$ -	-	$ -	$ -

(1) The options granted on completion of the IPO (on February 25, 2021) have a ten-year expiry date and vest 1/16 each quarter commencing on March 1, 2021. The options granted to Directors prior to completion of the IPO have seven to ten year expiry periods and were fully vested as of December 31, 2021.

(2) This column represents the in-the-money value of vested and unvested stock options based on the closing price of the Common Shares on the TSX on December 30, 2022 ($1.05) less the option strike price. Where the closing price on December 31, 2022 is less than the option strike price no value is assigned because such options are not in-the-money.

(3) This column represents the value of outstanding RSUs at December 31, 2022 and is calculated by multiplying the number of outstanding RSUs by the closing price of the Common Shares on the TSX on December 30, 2022 ($1.05).

(4) Mr. Nyland is the Chief Executive Officer of the Company and therefore did not receive any compensation as a director. See “Statement of Executive Compensation” for information on Mr. Nyland’s compensation.

(5) Pursuant to the Investor Rights Agreement, Mr. Clulow was nominated for election to the Board by Apollo. Mr. Clulow did not receive any compensation related to his role as director during the year.

(6) Kent Thexton joined the Board in June 2022 and received only a partial allocation of RSUs for 2022.

(7) Mr. Cataford joined the Board in December 2023 and is the Chief Financial Officer & Corporate Secretary (Interim) and therefore did not receive any compensation as a director. See “Statement of Executive Compensation” for information on Mr. Cataford’s compensation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each non-management director, the incentive plan awards vested for the fiscal year ended December 31, 2022:

Name	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Ben Nyland(2)	$ -	$ -	$ -
Kent Thexton(4)	$ -	$ -	$ -
Paul Cataford (5)	$ -	$ -	$ -
Christopher Clulow(3)	$ -	$ -	$ -
Sophia Langlois	$ -	$ -	$ -
Neil Murdoch	$ -	$ -	$ -
Peter Johansson(6)	$ -	$ 3,268	$ -
Allan Collings(6)	$ -	$ -	$ -
Dr. Andreas Truckenbrodt	$ -	$ -	$ -

(1) The value in this column is calculated as follows: (number of options vested on a particular vesting date) x (the closing price of the Common Shares on the TSX on such vesting date – the exercise price of such options). Where the closing price of the Common Shares on the TSX on the vesting date is less than the option exercise price, no value is attributed because such options are not in-the-money.

(2) Mr. Nyland is the Chief Executive Officer of the Company and therefore did not receive any compensation as a director. See “Statement of Executive Compensation” for information on Mr. Nyland’s compensation.

(3) Pursuant to the Investor Rights Agreement, Mr. Clulow was nominated for election to the Board by Apollo. Mr. Clulow did not receive any compensation related to his role as director during the year.

(4) Kent Thexton joined the Board in June 2022 and received only a partial allocation of RSUs for 2022.

(5) Mr. Cataford joined the Board in December 2023 and is the Chief Financial Officer & Corporate Secretary (Interim) and therefore did not receive any compensation as a director. See “Statement of Executive Compensation” for information on Mr. Cataford’s compensation.

(6) Mr. Allan Collings and Mr. Peter Johansson resigned from the board in December 2022.

STATEMENT OF EXECUTIVE COMPENSATION

Letter to Shareholders

Dear Fellow Shareholders,

The Governance, Human Resources, and Nominating and Compensation Committee ("GHRNC") is pleased to present a summary of the Company performance through the 2022 fiscal year and an overview of our approach in assessing and determining the compensation of our executives.

Fiscal 2022 was a challenging yet rewarding year for our company, employees, and stakeholders. Throughout fiscal 2022, we successfully grew our operation and manufacturing facility, created new products and technologies, and expanded our international sales and technical support footprint. Market headwinds, a worldwide recession and challenging capital markets made it difficult to raise additional growth capital and as a result, we had to scale back our operational capability and headcount very late in the year.

2022 Corporate Performance

In 2022, Loop continued to deliver on our strategy of commercializing our eFlow™ technology and building market presence in a competitive environment. Loop's achievements include:

- Launched Loop Powered Mobility & Innovation H2Bus in Slovakia (Mar 2022)
- Entered into an agreement with Innotest AG to integrate fuel cell system into Home Power Energy System (Mar 2022)
- Selected as Tevva Motor Ltd.'s (Tevva) fuel cell supplier for Tevva's 7.5 tonne electric truck platform (Apr 2022)
- Partnered with Aliant Battery to provide Hydrogen technology for Netherlands' Green Residential Hub (Apr 2022)
- Selected by Aluminium Revolutionary Chassis Company (ARCC) to expand into promising Australian hydrogen bus market (Jun 2022)
- Appointed Kent Thexton as Director and Chair of the Board (Jun 2022)
- Signed a Supply Agreement with Tevva Motors Ltd's (Tevva) (Jul 2022)
- Mobility and Innovation (M&I) entered Loop's Scale-Up Phase of our CAC with additional POs for 10 units (Jul 2022)
- Increased its European footprint with the opening of a service facility in the UK (Aug 2022)
- Launched its landmark S1200 fuel cell system, cutting hydrogen cost-parity with diesel by up to eight years (Sep 2022)
- Two new companies entered the Pilot Phase of Loop's Customer Adoption Cycle, Avia Ingenieria and Opex/Hevolucion, expanding Loop's presence in Europe and entering the emerging South American market (Oct 2022)
- Rampini Carlo SpA, an Italian bus manufacturer, launched its first hydrogen-electric bus, the HYDRON, powered by Loop Energy, at the Next Mobility Exhibition in Milan, Italy (Oct 2022)
- Reduced headcount and operating expenses (December 2022)
- Appointed Paul Cataford to the Board of Directors and as interim Corporate Secretary and CFO, replacing Damian Towns. In conjunction with this appointment Allan Collings and Peter Johansson resigned from the Board (Dec 2022)
- Appointed Brad Miller to the Board of Directors. In conjunction with this appointment, Neil Murdoch resigned from the Board (Jan 2023)
- Partnered with H2 Portable, a Canadian developer of hydrogen-electric mobile power solutions, to develop zero emission gensets (Feb 2023)
- Selected by Wiggins Lift Co., a leading American material handling vehicle manufacturer, to provide the fuel cell system for its new hydrogen-powered eBull forklift product (Feb 2023)
- Completed third-party validation of the use of Loop's patented eFlow™ technology in PEM electrolyzers in partnership with Fraunhofer USA and the German Fraunhofer Institute for Solar Energy Systems ISE. (Mar 2023)

- Retained Credit Suisse to advise on strategic alternatives, including strategic partnerships, licencing opportunities, joint development and outsource opportunities, and other ways to bring new capital, expertise and resources to the business and to identify growth opportunities and ways to support Loop Energy's expansion plans. (Mar 2023)
- The Board formed a special committee to evaluate and review transaction proposals and, if applicable, oversee the negotiation and implementation of a transaction proposal relating to the Credit Suisse engagement (April 2023)
- Dr. Sean MacKinnon, Chief Scientist at Loop Energy, and Dr. Tom Smolinka, Head of Department of Energy at Fraunhofer ISE presented how eFlow™ flow field improves PEM water electrolysis at Hanover Messe. (April 2023)
- Partnered with MYNT First Element, a leading Australian power generator manufacturer, to manufacture hydrogen electric power generators. Under the agreement, Loop Energy's hydrogen fuel cell modules are integrated into MYNT's lineup of Purple H2 generators. Further, Loop has appointed MYNT as an exclusive value-added distribution partner for the Australian market. (May 2023)

Changes to Incentive Programs in 2022

Working off the template and research provided in 2021 by Hugessen Consulting Inc. ("Hugessen"), a compensation advisory firm, the Company established an appropriate incentive plan, including an overall compensation philosophy, that aims to attract and retain key individuals crucial to our success with the following key elements:

- Compensation Philosophy – Loop has adopted a market competitive pay philosophy focused on pay for performance targeting the 50th percentile of the relevant market on target executive pay levels.
- Short-term incentive plan ("STIP") – Loop has established a market competitive STIP for executives which measures outcomes based on 50% corporate performance and 50% individual performance. In the case of the CEO, STIP is based on 100% corporate performance. STIP awards and payouts, if any, are always at the discretion of the Board.
- Long-term equity incentive plan ("LTIP") – the Board uses RSUs which better manages the dilution to shareholders while providing our key employees greater retention value in the face of high job market volatility.

2022 Compensation Decisions and Results

While Loop's executive team delivered on major milestones in 2022, certain key corporate objectives were not met resulting in corporate performance score not meeting the minimum threshold of 80% and therefore a 0% corporate performance factor was determined for all executives. In the CEO's case the short-term incentive payout for the CEO was 0% of target.

In the case of the Chief Commercial Officer, a 106% individual performance factor was awarded resulting in a short-term incentive conditional payout of 53% of target. In the case of the Chief Operating Officer, a 94% individual performance score was awarded resulting in a short-term incentive conditional payout of 47% of target. Given the Company's current financial situation and in order to conserve cash, the Board imposed conditions tied to the achievement of certain 2023 corporate objectives before 2022 STIP could be awarded and paid.

2023 Objectives

The Board will continue to focus its efforts on ensuring Loop has a competitive compensation program to attract and retain the highest level of talent in order to execute on both our long-term and short-term strategy and objectives. The Board also intends to review and implement governance provisions aligned with market practice, including share ownership guidelines for directors.

Sincerely,

Andreas Truckenbrodt
Chair of the GHRNC

Compensation Discussion and Analysis

Governance, Human Resources, Nominating and Compensation Committee
The GHRNC oversees and recommends for approval by the Board the executive and director compensation principles, policies, programs, grants of equity-based incentives and processes. The GHRNC specifically considers and recommends annually, or as required for approval by the independent directors of the Board, all forms of compensation for the executive officers and directors of the Company.

The individuals who serve on the GHRNC are all independent directors and include the following:

Andreas Truckenbrodt	Sophia Langlois	Christopher Clulow	Brad Miller

Andreas Truckenbrodt was the Chief Executive Officer (2008 – 2014) of Automotive Fuel Cell Cooperation Corporation (AFCC), a joint venture between Daimler AG and Ford Motor Company. Prior to this role, Dr. Truckenbrodt held executive positions within Daimler AG, Ballard Power Systems, Daewoo Motor Company and BMW. In these roles, he was responsible for all aspects of human resources for over 800 employees, including the definition and implementation of governance and compensation policies and practices.

Sophia Langlois has held the Chartered Professionals in Human Resources (CPHR) designation for over 20 years. During her 28-year career with KPMG LLP (1992 – 2020), she held the roles of Human Resources Manager and Human Resources Director (2000 – 2006). She was also partner in charge of people for KPMG's Calgary based audit team for 12 years, which included responsibility for overseeing the annual compensation cycle. In addition, she was responsible for the development and execution of the Human Resources Strategy for KPMG National Audit for three years. Ms. Langlois was a board member at the Southern Alberta Institute of Technology from 2014 until 2020, serving as the vice chair of the board of directors, chair of the audit committee and investment committee, and a member of the executive committee which had oversight responsibility for all executive compensation matters.

Christopher Clulow is currently the Vice President, Investor Relations for Cummins Inc. He has held a number of senior management positions within Finance and Strategy during his 18 years at Cummins Inc., including Corporate Controller and Components Controller, and served on various management review groups related to human resource programs. Mr. Clulow was also involved at a senior level with various human resources issues within the Cummins business, including compensation, workforce planning, diversity, equity and inclusion, employee development and talent management.

Brad Miller is currently the Owner & President of AdvanTec Global Innovations, an industrial manufacturer that services the marine, heavy industry and cleantech sectors. Prior to founding AdvanTec, he purchased IMW Industries, which he built into a globally successful manufacturer of CNG equipment with subsidiaries in five countries and over $100 million in revenue and 700 employees. In 2009, he successfully negotiated the sale of the company to Clean Energy Fuels for $125 million. Mr. Miller brings considerable expertise in leading and scaling organizations with manufacturing operations.

GHRNC Charter

The GHRNC is responsible for reviewing and establishing compensation for the Chief Executive Officer of the Company (the "CEO") and, in consultation with the CEO, is responsible for establishing, reviewing and overseeing the compensation policies of the Company and compensation of the executive team. The CEO makes recommendations to the GHRNC each year with respect to the compensation for the executive team. The GHRNC reviews the recommendations of the CEO in determining whether to make a recommendation to the Board or recommend any further changes to compensation for the executives. In addition, the GHRNC annually reviews and makes recommendations to the Board regarding the compensation for the CEO.

Independent Compensation Advisor

On December 29, 2020, the GHRNC retained Hugessen, an independent consulting firm, to advise the Committee in respect of compensation matters. In 2021, the Company enacted a number of policies and compensation practices including a review of 2021 salaries, bonus opportunities, and target long-term incentive opportunities, as appropriate. The decisions made regarding final executive compensation and incentive plan design were made by, and are the responsibility of, the Board on recommendation of the GHRNC. Policies and compensation practices were reviewed again in 2022.

The fees paid to Hugessen for the foregoing services in the year ended December 31, 2022 are shown below:

Executive and/or Director Compensation Related Fees

Name of Advisor	2022 ($)	2021 ($)	2020 ($)
Hugessen(1)	49,358.21	143,218.75	0

(1) Hugessen is the advisor to the GHRNC and did not do any work directly for the Company's management team in 2021 or 2022.

The Board reviews the potential risks associated with the structure and design of the various compensation plans of the Company on an annual basis, including a comprehensive review of the material compensation plans and programs for all employees.

As part of the Company's approach to compensation risk mitigation, the Board and GHRNC review risk mitigating compensation governance practices/policies, including:

- competitive and typical pay philosophy, peer group, and pay mix;
- risk-mitigating design features related to the Company's short and long-term incentive (e.g., caps on bonus payouts and incorporation of Board judgment in assessing performance);
- choice of corporate performance metrics and their alignment to stock price performance;
- Double-trigger change of control provision in the employment contracts of executive officers;
- retaining an independent advisor to provide various executive and director compensation related services, as required;
- prohibition on hedging, short selling, trading put/call options, using Company securities as equity in margin accounts or entering into equity monetization arrangements involving Company securities;

Prohibition on Hedging, Short Selling, Trading Put/Call Options etc.

Pursuant to the Company's Confidential Information and Trading in Securities Policy, insiders of the Company (including all directors and officers) are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of the Company's securities granted as compensation or held, directly or indirectly, by the insider. Furthermore, such insiders are prohibited from short selling the Company's securities, trading put or call options on Company securities, using Company securities as equity in margin accounts, or entering into equity monetization arrangements involving Company securities.

<u>Executive Compensation Overview</u>

Named Executive Officers

For 2022, our Named Executive Officers ("NEOs") were:

Named Executive Officer	Title
Benjamin Nyland	Chief Executive Officer
Paul Cataford(1)	Chief Financial Officer
George Rubin	Chief Commercial Officer
Daryl Musselman	Chief Operating Officer
Kirk Livingston	Vice-President, Asia Pacific Region
Damian Towns(1)	Former Chief Financial Officer

(1) Paul Cataford was appointed interim CFO and Corporate Secretary on December 15, 2022, replacing Damian Towns whose last day of employment was December 14, 2022.

Compensation Philosophy and Objectives

The Company's executive compensation practices are based on a pay for performance philosophy that is designed to attract, motivate, and retain its executives. Assessment of performance is based on the Company's financial and operational performance, as well as individual contributions, and effective risk management. This philosophy is intended to effectively support the Company's goals of retaining and attracting the highest calibre of talent to pursue a leadership position in the industry.

Pay is benchmarked and compared on a target total direct compensation basis (base salary plus short term target annual incentive plus target annual long-term equity-based incentive). The GHRNC reviews benchmarking data for external market context and targets the 50th percentile of total compensation as a point of reference and a guideline. Consideration of the Company's internal hierarchy, criticality of the role, market context and performance, will be applied to peer data to produce an informed process for setting each position's pay.

Compensation Peer Group

To benchmark the level and mix of executive compensation arrangements, a peer group was derived consisting of a group of comparably sized reporting issuers operating in industries related to the Company's industry that are broadly representative of Loop's executive employee market. Based on the above, the following peer group was used in 2022 to review and determine the compensation market:

ClearPoint Neuro, Inc.	dynaCERT Inc.	Electrameccanica Vehicles Corp.	Electrovaya Inc.
Exro Technologies Inc.	GreenPower Motor Company Inc.	POET Technologies Inc.	SunHydrogen, Inc.

Summary of Executive Compensation Elements

	Not At-Risk Compensation		At- Risk Compensation	
Component	**Base Salary**	**Other Compensation**	**Short-Term Incentive**	**Long-Term Incentive**
Description	Annual Salary	Health and dental, health and lifestyle spending account, life insurance, short and long-term disability insurance, and employee and family assistance plan	Annual Cash Bonus Plan	After August 2021: RSUs Before August 2021: Stock Options
Objective	Provide competitive guaranteed pay to compensate for meeting core requirements of the role and to cover day-to-day living expenses	Foster health and wellbeing of executives and families	Reward individuals based on achievement of corporate and personal performance goals annually	Aligning NEO pay to overall company performance and long-term goals, as well as alignment with shareholder interests

Components of Executive Compensation
Consistent with the Company's historical approach, the compensation program for executives consists of three major elements:

- base salary;
- annual short-term incentives; and
- long-term equity-based incentives

The Company also provides a limited benefits package to executive officers that consists of health and dental benefits, health and lifestyle spending account, life insurance, long term disability insurance and an employee and family assistance plan. Perquisites and personal benefits are not a significant element of the Company's overall compensation strategy.

Base Salary
A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. Base salaries are set and adjusted to reflect the scope of an executive's responsibility and prior experience, and the overall market demand for such executives at time of hire. Base salaries of the executive team are reviewed annually.

Base Salaries at December 31, 2022 for our NEOs were as follows:

Named Executive Officer	Position	2022
Benjamin Nyland	Chief Executive Officer	$350,000
Paul Cataford(1)	Chief Financial Officer	$Nil(2)
Damian Towns(1)	Former Chief Financial Officer	$300,000
George Rubin	Chief Commercial Officer	$250,000
Daryl Musselman	Chief Operating Officer	$275,000
Kirk Livingston(3)	Vice-President, Asia Pacific Region	$290,000

(1) Paul Cataford was appointed interim CFO and Corporate Secretary on December 15, 2022, replacing Damian Towns whose last day of employment was December 14, 2022.
(2) Paul Cataford entered into an Interim CFO and Corporate Secretary agreement with the Company where he receives a monthly retainer of $10,000 plus an additional $1,200 for each full day or part day worked over 8 days per month.
(3) In addition to his salary Kirk Livingston also receives a payment of RMB51,000 from Loop Shanghai

Short -Term Incentive Program

At the discretion of the Board, the Company grants short -term incentive awards to its executive officers in the form of cash bonuses, which are intended to motivate and reward such executive officers for achieving and surpassing annual corporate and individual goals approved by the Board. The Company believes that a performance -based bonus program, or in the case of a retention risk, a time-based bonus program, promotes its overall compensation objectives by tying a meaningful portion of an executive's compensation to the goals and objectives of the business, thereby aligning the interests of executive officers with the interests of holders of Common Shares and other stakeholders. Bonuses for the CEO are recommended by the GHRNC and approved by the Board, while bonuses for all other executive officers are recommended by the CEO and reviewed and approved by the GHRNC.

The short-term incentive program for the CEO is based only on corporate performance objectives. The assessment of annual performance for the CEO is shown below:

- Actual STI Award = Base Salary x Target x Corporate Performance Factor

The short-term incentive program incorporates both corporate and individual performance objectives for each executive other than the CEO. The assessment of annual performance for executives in 2022 was weighted equally towards the individual and corporate performance factors as shown below:

- Actual STI Award = Base Salary x Target x ((Personal Performance Factor x 50%) + (Corporate Performance Factor x 50%))

The corporate performance factor is determined by performance of the Company against corporate goals set by the CEO and based on Board's approval of these goals and performance. There is a minimum threshold of 80% and a maximum possible payout for executives under the short-term incentive plan is 150% of annual base salary.

The 2022 short term incentive conditional (2) award calculations for the NEOs are shown in the table below:

Named Executive Officer	Position	Target % of Base Salary	2022 Corporate Performance Factor Result	2022 Personal Performance Factor Result	2022 Weighted STIP Factor	Conditional (2) 2022 STIP Payment
Benjamin Nyland	Chief Executive Officer	20%	0%	N/A	0%	$0
Paul Cataford[(1)]	Chief Financial Officer	N/A	N/A	N/A	N/A	N/A
Damian Towns[(1)]	Former Chief Financial Officer	N/A	N/A	N/A	N/A	N/A
George Rubin	Chief Commercial Officer	40%	0%	106%	21.2%	$53,000
Daryl Musselman	Chief Operating Officer	20%	0%	94%	9.4%	$25,850
Kirk Livingston	VP, Asia Pacific Region	18%	0%	138%	12.4%	$21,735

(1) Paul Cataford was appointed interim CFO and Corporate Secretary on December 15, 2022, replacing Damian Towns whose last day of employment was December 14, 2022.
(2) Given the Company's current financial situation and in order to conserve cash, the Board imposed conditions tied to the achievement of certain 2023 corporate objectives before 2022 STIP could be awarded and paid.

Long Term Equity Incentive Program (LTIP)

The executive officers of the Company, along with other employees and directors, are eligible to participate in the Company's LTIP program, pursuant to which eligible participants may be awarded options, performance share units, restricted share units, deferred share units and/or other share-based awards. The purpose of the LTIP is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company, to reward those directors, employees and consultants for their contributions toward the long term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long term investments in the Company.

In 2021, the Board adjusted our LTIP program for executives from 100% options to 100% RSUs. Option grants may still be awarded occasionally as a hire-on incentives for senior management. The Board introduced RSUs in order to address the effect of market volatility on overall dilution from our equity incentive awards as well as retention value in down markets. Given the competitive market for talent, offering RSUs as part of our LTIP package for executives allows us to compete for talent with larger, more mature organizations.

Key Features 2022	**RSUs**	**Options**
Vesting Period	Equally on each of the 1st, 2nd and 3rd anniversaries of grant date. RSUs vesting for executives are subject to a full acceleration provision in the event of a change of control.	Equally on each of the 1st, 2nd and 3rd anniversaries of grant date(1)
Term	RSUs are settled when they vest.	5 Years(2)
Award Size	Target grant sizes set as a % of base salary. Final grant size subject to Board discretion.	
Settlement	Common Shares	Common Shares

(1) Options granted to NEOs on or prior to completion of the IPO (February 25, 2021) have different vesting periods than shown in the above table.
(2) Options granted to executives on or prior to completion of the IPO (February 25, 2021) have seven to ten year expiry dates.

In 2022, the target LTIP award levels for the Company's NEOs was as follows:

Named Executive Officer	**Position**	**Base Salary**	**Target LTIP (% of Base)**	**Target LTIP ($)**
Benjamin Nyland	Chief Executive Officer	$350,000	110%	$396,000
Damian Towns (1)	Chief Financial Officer	$300,000	100%	$300,000
Paul Cataford (1)	Chief Financial Officer			
George Rubin	Chief Commercial Officer	$250,000	0%	$0
Daryl Musselman	Chief Operating Officer	$275,000	100%	$275,000
Kirk Livingston	VP, Asia Pacific Region	$175,000	30%	$52,500

(1) Paul Cataford was appointed interim CFO and Corporate Secretary on December 15, 2022, replacing Damian Towns whose last day of employment was December 14, 2022.

See "*Securities Authorized for Issuance Under Equity Compensation Plans – Equity Incentive Plan*" below for additional information regarding the Equity Incentive Plan. A copy of the Equity Incentive Plan was filed under the Company's profile on SEDAR at www.sedar.com on May 21, 2021.

Pension Benefits and Nonqualified Deferred Compensation

The Company does not have a company -sponsored pension plan, and none of the Company's executive officers participate in a non-qualified deferred compensation plan.

Summary Compensation Table

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each of the Company's NEOs within the meaning of Form 51-102F6 *Statement of Executive Compensation* during the years ended December 31, 2021 and December 31, 2022. The Company is not required to summarize compensation paid to NEOs for the financial years ended December 31, 2020 and December 31, 2019, as the Company was not a reporting issuer at any time during the financial years ended December 31, 2020 or December 31, 2019. The Company became a reporting issuer on February 18, 2021.

Name and principal position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compen-sation ($)	Total compen-sation ($)
					Annual incentive plans[3] (f1)	Long-term incentive plans (f2)			
Benjamin Nyland *Chief Executive Officer*	2021	$ 330,529	$ -	$ 438,561	$ 74,375	$ -	$ -	$ -	$ 843,465
	2022	$ 350,000	$ 385,001	$ -	$0	$ 0	$ -	$ -	$ 735,001
Damian Towns *Former Chief Financial Officer*[4]	2021	$ 38,654	$ 637,505	$ 183,732	$ 7,726	$ -	$ -	$ -	$ 867,617
	2022	$ 316,415	$ 5,727	$ -	$ 30,000	$ -	$ -	$163,462	$ 515,604
Paul Cataford [7] *Chief Financial Officer*	2022	$ 5,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000
George Rubin, *Chief Commercial Officer*[5]	2021	$ 247,663	$ -	$ 688,297	$ 110,000	$ -	$ -	$ -	$1,045,960
	2022	$ 250,000	$ 289,998	$ -	$ 53,000	$ -	$ -	$ -	$ 592,998
Daryl Musselman *Chief Operating Officer*	2021	$ 270,327	$ -	$ 316,738	$ 60,500	$ -	$ -	$ -	$ 647,565
	2022	$ 275,000	$ 275,000	$ -	$ 25,850	$ -	$ -	$ -	$ 575,850
Kirk Livingston *VP Asia Pacific Region*[6]	2021	$ 223,893	$ -	$ -	$ 40,301	$ -	$ -	$ -	$ 264,194
	2022	$ 292,799	$ 52,501	$ -	$ 21,735	$ -	$ -	$ -	$ 367,035

(1) This column represents the grant date fair value of RSUs granted to NEOs in the year as long-term incentive awards. The grant date fair value shown in this column is calculated by multiplying the number of RSUs awarded by the volume weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant, as required under the Equity Incentive Plan. This valuation methodology is the same as the accounting for value.

(2) This column represents the grant date fair value of stock options granted to NEOs in the year as long-term equity incentive awards. The grant date fair value of options granted is calculated by multiplying the number of options granted by the grant date Black-Scholes value. The grant date fair value shown here is the same as the accounting fair value of the full grant but is not adjusted by the vesting schedule. The grant date fair value for options granted to Mr. Nyland, Mr. Rubin and Dr. Musselman shown in the table above is different from the target long-term incentive award levels shown in the table under the section "Long-Term Equity Incentive Program (LTIP)". For the purposes of calculating the number of options granted to these individuals on completion of the IPO (February 25, 2021), the Board approved a Black-Scholes multiplier of 66% of the stock price on the date of grant, which differed from the grant date fair value and accounting value due to the high level of volatility in the sector. Mr. Rubin was also granted additional options as a hire-on bonus.

(3) These annual short-term incentive payments are reported for the year in which they were earned, not the year in which they were paid. They are paid in the year following the year in which they are earned. Given the Company's current financial situation and in order to conserve cash, the Board imposed conditions tied to the achievement of certain 2023 corporate objectives before 2022 STIP could be awarded and paid.

(4) Damian Towns was appointed CFO on November 15, 2021. On his employment start date, Mr. Towns was awarded 50,000 stock options as a hire-on bonus; a pro-rated 2021 grant of 7,023 RSUs vesting in equal instalments on the first, second and third anniversaries of the date of grant; and an upfront grant of 112,360 RSUs, calculated as $600,000 (2x annual base salary) divided by the market price of the Common Shares on the grant date, vesting in two equal tranches. The first tranche of 56,180 RSUs will vest in three equal annual instalments beginning 2022. The second tranche will vest in three equal annual instalments beginning 2023. On each of the annual grant dates for 2022 and 2023, the RSU award tranches may be adjusted such that Mr. Towns will forfeit RSUs in the event the number of shares originally granted upon hire are greater than would be otherwise granted at the prevailing market price at the time of the annual executive LTIP grants in 2022 and 2023. Given the upfront grant of two years of annual RSU awards, Mr. Towns will not receive regular annual LTIP awards in 2022 or 2023. Damian Towns last day of employment was December 14, 2022.

(5) George Rubin was awarded a grant of 56,500 stock options on February 25, 2021 which included his regular annual LTIP award plus a hire-on incentive.

(6) Kirk Livingston is employed by Loop Shanghai as General Manager. The Company has also entered into a Consulting Agreement with Mr. Livingston to retain his services as Vice President, Asia Pacific. All compensation shown in this table (and elsewhere in this document) includes local compensation paid to him by Loop Shanghai, as well as all compensation paid to him by the Company under his Consulting Agreement with the Company. In 2021, he was not part of the executive short-term or long-term annual incentive plans. Under his Consulting Agreement he is eligible for an annual cash bonus at the discretion of the Company.

(7) Paul Cataford entered into an Interim CFO and Corporate Secretary agreement with the Company where he receives a monthly retainer of $10,000 plus an additional $1,200 for each full day or part day worked over 8 days per month.

Outstanding Share-Based Awards and Other Option-Based Awards

The following table sets out, for each NEO, all share-based awards and option-based awards outstanding as at December 31, 2022:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date(1)	Value of unexercised in-the-money options(2) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested(3) ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Benjamin Nyland *Chief Executive Officer*	696,666 36,000	$ 0.99 $ 16.00	2026-12-31 2031-02-25	$ 41,800	127,063	$ 133,416	$ -
Damian Towns(4) *Chief Financial Officer*	16,666	$ 5.34	2026-11-15	$ -	3,677	$ 3,861	$ -
Paul Cataford(5) *Chief Financial Officer*	-	$ -	n/a	$ -	-	$ -	$ -
George Rubin *Chief Commercial Officer*	56,500	$ 16.00	2031-02-25	$ -	95,709	$ 100,494	$ -
Daryl Musselman *Chief Operating Officer*	100,000 26,000	$ 2.40 $ 16.00	2030-08-30 2031-02-25	$ -	90,759	$ 95,297	$ -
Kirk Livingston *VP Asia Pacific Region*	66,667	$ 1.80	2030-02-28	$ -	17,327	$ 18,193	$ -

(1) The options granted on completion of the IPO (on February 25, 2021) have a ten-year expiry date and vest 1/16 each quarter commencing on March 1, 2021. The options granted prior to completion of the IPO have different vesting schedules and have seven to ten year expiry periods. Options granted to executives after completion of the IPO vest equally on each of the 1st, 2nd and 3rd anniversaries of grant date and have a five-year expiry period.

(2) This column represents the in-the-money value of vested and unvested stock options based on the closing price of the Common Shares on the TSX on December 31, 2022 ($1.05) less the option strike price. Where the closing price on December 31, 2022 is less than the option strike price no value is assigned because such options are not in-the-money.

(3) This column represents the value of outstanding RSUs at December 31, 2022 and is calculated by multiplying the number of outstanding RSUs by the closing price of the Common Shares on the TSX on December 31, 2022 ($1.05).

(4) Damian Towns was terminated as CFO on December 14, 2022 and his last day of employment with the Company was December 14, 2022.

(5) Paul Cataford was appointed CFO on December 15, 2022.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each NEO, the incentive plan awards vested for the fiscal year ended December 31, 2022:

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Benjamin Nyland *Chief Executive Officer*	$ -	$ -	$ -
Damian Towns[(2)] *Chief Financial Officer*	$ -	$ 3,160	$ -
Paul Cataford[(3)] *Chief Financial Officer*	$ -	$ -	$ -
George Rubin *Chief Commercial Officer*	$ -	$ -	$ -
Daryl Musselman *Chief Operating Officer*	$ 2,125	$ -	$ -
Kirk Livingston *VP Asia Pacific Region*	$ 15,500	$ -	$ -

(1) The value in this column is calculated as follows: (number of options vested on a particular vesting date) x (the closing price of the Common Shares on the TSX on such vesting date – the exercise price of such options). Where the closing price of the Common Shares on the TSX on the vesting date is less than the option exercise price, no value is attributed because such options are not in-the-money.
(2) Damian Towns last day of employment with the Company was December 14, 2022.
(3) Paul Cataford was appointed CFO on December 15, 2022.

Termination and Change of Control Benefits

The Company has entered into employment agreements with each of the NEOs (other than Kirk Livingston and Paul Cataford) that provide them with certain rights in the event of a termination of involuntary employment or a "change of control" of the Company as follows:

- In the case of a termination without cause, Mr. Nyland's employment agreement provides that he is entitled to receive notice or pay in lieu of notice of an amount equal to nine months of base salary plus one month additional severance for each year of completed work up to a combined maximum entitlement of 24 months, plus any performance bonus earned prior to the date of termination. In addition, Mr. Nyland will be entitled to accelerated vesting in respect of any unvested options that would otherwise have vested during the notice period. If Mr. Nyland is constructively dismissed or terminated in certain circumstances in connection with a "Change of Control" within the meaning of his employment agreement, he will be entitled to a lump sum payment equal to 24 months base salary, any performance bonus earned prior to the date of termination and certain employee benefits. In addition, Mr. Nyland will be entitled to accelerated vesting of any unvested options.

- In the case of a termination without cause, the Company's employment agreement with Mr. Rubin provides that he is entitled to receive notice or pay in lieu of notice of an amount equal to six months of base salary plus one month additional severance for each year of completed work up to a combined maximum entitlement of 18 months, plus any performance bonus earned prior to the date of termination. In addition, Mr. Rubin will be entitled to accelerated vesting in respect of any unvested options that would otherwise have vested during the notice period. If Mr. Rubin is terminated or there is a material adverse change in his employment status in connection with a “Change of Control” within the meaning of his employment agreement, he will be entitled to a lump sum payment equal to 18 months base salary, any performance bonus earned prior to the date of termination and certain employee benefits. In addition, Mr. Rubin will be entitled to accelerated vesting in respect of any unvested options.

- In the case of a termination without cause, the Company’s employment agreement with Dr. Musselman provides that he is entitled to receive notice or pay in lieu of notice of an amount equal to four months of base salary plus one month additional severance for each year of completed work up to a combined maximum entitlement of 12 months, plus any performance bonus earned prior to the date of termination. In addition, Dr. Musselman will be entitled to accelerated vesting in respect of any unvested options that would otherwise have vested during the notice period. If Dr. Musselman is terminated or there is a material adverse change in his employment status in connection with a “Change of Control” within the meaning of his employment agreement, he will be entitled to a lump sum payment equal to 12 months base salary, any performance bonus earned prior to the date of termination and certain employee benefits. In addition, Dr. Musselman will be entitled to accelerated vesting in respect of any unvested options.

- Kirk Livingston is employed by Loop Shanghai as General Manager. The Company has also entered into a Consulting Agreement dated January 15, 2019 with Mr. Livingston (the “Consulting Agreement”) to retain his services as Vice President, Asia Pacific. His local employment agreement does not provide for any change of control benefits or any severance benefits on termination without cause but may be subject to local labour laws. The Consulting Agreement does not provide for change of control benefits, however it does provide that the Company must give 60 days written notice of termination of this Agreement.

- Mr. Towns, the Company’s former CFO, was no longer employed with the Company on December 14, 2022.

Termination Without Cause

The table below shows the benefits that the NEOs would have been entitled to receive if a termination without cause had occurred on December 31, 2022:

Name	Severance[1]	Value of Early-Vested Options and Share-Based Awards[2]	Benefits	Total
Benjamin Nyland *Chief Executive Officer*	$ 538,854	$ 88,944	$ -	$ 627,798
Paul Cataford *Chief Financial Officer*	$ -	$ -	$ -	$ -
George Rubin *Chief Commercial Officer*	$ 236,667	$ 33,498	$ -	$ 270,165
Daryl Musselman *Chief Operating Officer*	$ 166,375	$ 31,766	$ -	$ 198,141
Kirk Livingston[3] *VP Asia Pacific Region*	$ -	$ -	$ -	$ -

(1) Severance is calculated based on each NEO's base salary as at December 31, 2022 and the amount of the performance bonus awarded to such NEO in respect of fiscal 2022. Damian Towns is not included in this table as he was no longer employed with the Company on December 31, 2022.
(2) This column includes the value of options and share-based awards that would early vest on a termination without cause occurring on December 31, 2022. For clarity it does not include the value of any options or share-based awards that were vested prior to December 31, 2022.
(3) Kirk Livingston is employed by Loop Shanghai as General Manager. The Company has also entered into a Consulting Agreement dated January 15, 2019 with Mr. Livingston (the "Consulting Agreement") to retain his services as Vice President, Asia Pacific. His local employment agreement does not provide for any severance benefits on termination without cause but may be subject to local labour laws. The Consulting Agreement provides that the Company must give 60 days written notice of termination of this Agreement.

Change of Control

The table below shows the benefits that the NEOs would have been entitled to receive if a termination in connection with a "Change of Control" had occurred on December 31, 2022:

	Severance(1)	Value of Early-Vested Options and Share-Based Awards(2)	Benefits	Total
Benjamin Nyland *Chief Executive Officer*	$ 807,188	$ 88,944	$ -	$ 896,132
Paul Cataford(3) *Chief Financial Officer*	$ -	$ -	$ -	$ -
George Rubin *Chief Commercial Officer*	$ 525,000	$ 66,996	$ -	$ 591,996
Daryl Musselman *Chief Operating Officer*	$ 360,250	$ 31,766	$ -	$ 392,016
Kirk Livingston(4)	$ -	$ -	$ -	$ -

(1) Severance is calculated based on each NEOs base salary as at December 31, 2022 and the amount of the performance bonus awarded to such NEO in respect of fiscal 2022. Damian Towns is not included in this table as he was no longer employed with the Company on December 31, 2022.
(2) This column includes the value of options and share-based awards that would early vest on a change of control event occurring on December 31, 2022. For clarity it does not include the value of any options or share-based awards that were vested prior to December 31, 2022.
(3) Paul Cataford was appointed CFO on December 15, 2022.
(4) Kirk Livingston is employed by Loop Shanghai as General Manager. The Company has also entered into a Consulting Agreement dated January 15, 2019 with Mr. Livingston (the "Consulting Agreement") to retain his services as Vice President, Asia Pacific. Neither his local employment agreement nor the Consulting Agreement provide for any change of control benefits.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The Company has adopted an Omnibus Equity Incentive Plan (the "Equity Incentive Plan"), pursuant to which the Company may grant Options, Deferred Share Units, Restricted Share Units, Performance Share Units and Other Share-Based Awards to director, employees and consultants of the Company and its subsidiaries.

The aggregate number of Common Shares reserved for issuance pursuant to Awards granted under the Equity Incentive Plan may not exceed 10% of the Company's issued and outstanding Common Shares. The Equity Incentive Plan is therefore considered to be an "evergreen" plan, since Common Shares covered by Awards which have been exercised or terminated will be available for subsequent grants and the number of Common Shares that may be issued pursuant to Awards increases as the number of issued and outstanding Common Shares increases.

As of the date of this Circular, a total of 2,100,609 Awards were issuing and outstanding under the Equity Incentive Plan, representing approximately 6.1% of the issued and outstanding Common Shares (assuming all Restricted Share Units are settled in Common Shares rather than cash). Other than the Equity Incentive Plan, there is no compensation plan pursuant to which Common Shares have been approved for issuance.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	**Weighted average exercise price of outstanding options, warrants and rights (b)**	**Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by securityholders	2,100,609[(1)]	$3.17[(2)]	1,330,648
Equity compensation plans not approved by securityholders	-	-	-
Total	2,100,609	$3.17	1,330,648

(1) Represents 1,710,942 options and 389,667 RSUs.

(2) Weighted-average exercise price of outstanding options.

Description of Equity Incentive Plan

The following is a description of the material terms and conditions of the Equity Incentive Plan and is qualified in its entirety by the text of the Equity Incentive Plan. The Equity Incentive Plan was amended and restated on February 17, 2021 and filed under the Company's profile on SEDAR at www.sedar.com on May 21, 2021.

Purpose

The purpose of the Equity Incentive Plan is to provide the Company with a share related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company, to reward those directors, employees and consultants for their contributions toward the long term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long term investments in the Company.

Types of Awards

The Equity Incentive Plan provides for the grant of stock options ("Options"), performance share units" ("Performance Shares Units" or "PSUs"), restricted share units ("Restricted Share Units" or "RSUs") and deferred share units ("Deferred Share Units" or "DSUs") (collectively, "Awards"). Awards are represented by a signed written agreement (an "Award Agreement") between the Company and the director, employee or consultant who received the Award (a "Participant").

- <u>Options</u>

  Options represent the right to purchase a Common Share at an exercise price fixed by the Plan Administrator (as defined below) at the time of grant. The exercise price of an Option may not be, which price must in all cases be not less than the "market price" of the Common Shares on the date of grant. For purposes of the Equity Incentive Plan, the market price of the Common Shares is determined with reference to the volume weighted average closing price of the Common Shares on the TSX for the five trading days immediately preceding the applicable date ("Market Price").

  Subject to accelerated termination in certain circumstances, Options expire on the date specified in the applicable Award Agreement. The expiry date of Options may not be later than the tenth anniversary of the date of grant) or, if not so specified, the tenth anniversary of the date of grant. Vesting terms are determined at the time of grant and set forth in the applicable Award Agreement.

- <u>Deferred Share Units</u>

  A DSU is a unit that is settled at a future date for (i) a Common Share, (ii) a cash payment equal to then-current Market Price of a Common Shares or (iii) a combination of both, as determined by the Plan Administrator in its discretion. Unless otherwise determined by the Plan Administrator at the time of grant, DSUs vest immediately and are settled on the date established in the award agreement by the Plan Administrator.

  In the case of DSUs granted in respect of a fixed dollar amount, the number of DSUs granted to the applicable Participant will be calculated with reference to the Market Price of a Common Share on the grant date.

- <u>Restricted Share Units</u>

  Similar to DSUs, a RSU is a unit that is settled at a future date for (i) a Common Share, (ii) a cash payment equal to then-current Market Price of a Common Shares or (iii) a combination of both, as determined by the Plan Administrator in its discretion. Unlike DSUs (which vest immediately unless otherwise determined by the Plan Administrator), RSUs are typically subject to time-based vesting as determined by the Plan Administrator.

  The settlement date of RSUs is determined by the Plan Administrator at the time of grant, provided that the settlement date may not be later than the final business day of the third calendar year following the year in which the RSU is granted.

  In the case of RSUs granted in respect of a fixed dollar amount, the number of RSUs granted to the applicable Participant will be calculated with reference to the Market Price of a Common Share on the grant date.

- <u>Performance Share Units</u>

  Similar to DSUs and RSUs, a PSU is a unit that is settled at a future date for (i) a Common Share, (ii) a cash payment equal to then-current Market Price of a Common Shares or (iii) a combination of both, as determined by the Plan Administrator in its discretion. PSUs are granted in respect of services rendered in the year of grant, and vesting is subject to satisfaction of performance goals set forth in the applicable Award Agreement, provided that the settlement date may not be later than the final business day of the third calendar year following the year in which the PSU is granted.

  The performance goals in respect of a PSU may be based upon the achievement of corporate, divisional or individual goals and may be applied to performance relative to an index, a comparator group or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with the Company's corporate objectives, subject to any limitations set forth in an

Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

- Other Share-Based Awards

  In addition to Options, DSUs, RSUs and PSUs, the Equity Incentive Plan provides the Company with the ability to grant other Awards ("Other Share-Based Awards") which are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares) if and to the extent the Plan Administrator considers the grant Other Share-Based Awards to be consistent with the purposes and goals of the Equity Incentive Plan; provided, however, that the grant of any Other Share-Based Awards that are not Options, DSUs, RSUs or PSUs will be subject to TSX and, if required, shareholder approval.

Dividend Equivalents

Unless otherwise determined by the Plan Administrator, holders of DSUs, RSUs and PSUs shall, if and to the extent that the Company declares any dividends on the Common Shares, be credited with dividend equivalents in the form of additional DSUs, RSUs and PSUs, as applicable, as of the applicable dividend payment date. Such dividend equivalents will be computed by dividing (a) the amount obtained by multiplying the amount of the per share dividend by the number of DSUs, RSUs or PSUs held by the applicable Participant on the record date for the payment of such dividend by (b) the market price of a Common Share on the first business day immediately following such record date.

Limits on Grants

The aggregate number of Common Shares reserved for issuance pursuant to Awards granted under the Equity Incentive Plan may not exceed 10% of the Company's issued and outstanding Common Shares.

In addition, the Equity Incentive Plan also includes the following participation limits:

- the aggregate number of Common Shares issuable to insiders (as defined in the TSX Company Manual) at any time under all of the Company's security-based compensation arrangements (including the Equity Incentive Plan) may not exceed 10% of the Company's total issued and outstanding Common Shares;

- the aggregate number of Common Shares issued to insiders within any one year period, under all of the Company's security-based compensation arrangements (including the Equity Incentive Plan) may not exceed 10% of the Company's total issued and outstanding Common Shares;

- the Company may not grant Awards to non-employee directors if, after giving effect to the grant of such Awards, the aggregate number of Common Shares issuable to non-employee directors, at the time of such grant, under all of the Company's security-based compensation arrangements (including the Equity Incentive Plan) would exceed 1% of the Company's total issued and outstanding Common Shares; and

- within any single financial year, (a) the aggregate value on the date of grant of all Options granted to any one non-employee director may not exceed \$100,000 and (b) the aggregate value of the date of grant of all Awards (including Options) granted to any one non-employee director under all of the Company's security-based compensation arrangements (including the Equity Incentive Plan) may not exceed \$150,000, excluding in each case Awards granted in lieu of any retainer or meeting fees and a one-time initial grant to a director on joining the Board.

Plan Administration

The Equity Incentive Plan is administered by the Board, which may delegate its authority to any duly authorized committee of the Board (the "Plan Administrator"). The Plan Administrator has sole and complete authority, in its discretion, to among other things:

1. determine the individuals to whom Awards may be granted;

2. grant Awards under the Equity Incentive Plan in such amounts and, subject to the provisions of the Equity Incentive Plan, on such terms and conditions as it determines, including, without limitation (a) the time or times at which Awards may be granted, (b) the conditions under which Awards may be granted to Participants or forfeited to the Company (including any conditions relating to the attainment of specified performance goals), (c) the number of Common Shares to be covered by any Award, (d) the price, if any, to be paid by a Participant in connection with the purchase of Common Shares covered by any Awards, (e) whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any, and (f) any acceleration of exercisability or vesting, or waiver of termination regarding any Award;

3. cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Equity Incentive Plan;

4. construe and interpret the Equity Incentive Plan and all Award Agreements;

5. adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Equity Incentive Plan; and

6. make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Equity Incentive Plan.

Blackout Period

In the event that an Award is granted at a time when an undisclosed material change or material fact in the affairs of the Company exists, the effective date of the grant will be no later than ten business days after the date on which there is no longer an undisclosed material change or material fact and the market price in respect of such grant will be calculated as of the effective date of such grant.

If an Award would otherwise expire at a time when an undisclosed material change or material fact in the affairs of the Company exists, the expiry date of such Award will be ten business days after the date on which there is no longer an undisclosed material change or material fact.

Effect of Termination on Awards

The following table describes the impact of certain events upon the Participants under the Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement:

Event	Impact on Awards
Termination for cause	Any unexercised Option or other Award shall be immediately forfeited and cancelled.
Resignation	Any unexercised Option or other Award shall be immediately forfeited and cancelled.
Termination without cause	Any unvested Options or other Awards shall be immediately forfeited and cancelled. Any vested Options or other Awards may be exercised

Event	Impact on Awards
	or settled at any time prior to the earlier of (a) the expiry date of such Award and (b) the date that is 60 days after the applicable termination date. All Options and Awards that have not been exercised or settled as of the end of such period shall be immediately forfeited and cancelled.
Disability	Any Option or other Award held by a Participant that has not vested as of the date of the disability of such Participant shall continue to vest in accordance with its terms. Any vested Options or other Award may be exercised or settled at any time prior to the earlier of (a) the expiry date of such Award and (b) the third anniversary of such Participant's date of disability. All Options and Awards that have not been exercised or settled as of the end of such period shall be immediately forfeited and cancelled.
Death	Any Option or other Award held by the Participant that has not vested as of the date of the death of such Participant shall automatically vest on such date. Any vested Options or other Awards may be exercised or settled at any time prior to the earlier of (a) the expiry date of such Award and (b) the first anniversary of the date of the death of such Participant. All Options and Awards that have not been exercised or settled as of the end of such period shall be immediately forfeited and cancelled.
Retirement	Any Option or other Award held by a Participant that has not vested as of the date of retirement shall continue to vest in accordance with its terms. Any vested Options or other Award may be exercised or settled at any time prior to the earlier of (a) the expiry date of such Award and (b) the third anniversary of such Participant's retirement. All Options and Awards that have not been exercised or settled as of the end of such period shall be immediately forfeited and cancelled

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

Change in Control

Except as may be set forth in a written agreement (including an Award Agreement) between the Company and a Participant, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable in connection with a Change of Control (as that term is defined in the Equity Incentive Plan), including without limitation:

- causing any outstanding Awards to be converted into or exchanged for rights or other securities of substantially equivalent value in any entity participating in or resulting from such Change in Control;
- causing any outstanding Award to immediately vest, in whole or in part, upon completion of such Change of Change in Control, and to terminate upon or immediately prior to the effectiveness of such Change in Control;
- terminating an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award on the date of such Change of Control;
- replacing such Award with other rights or property as determined by the Board in its sole discretion; or
- any combination of the foregoing.

If the Common Shares will cease trading on a stock exchange as a result of a Change of Control, the Company may terminate all of the Awards granted under the Equity Incentive Plan at the time of, and subject to the completion of the Change in Control, by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably.

Amendment, Suspension or Termination

The Plan Administrator may from time to time, without notice and without approval of the shareholders, amend, modify, change, suspend or terminate the Equity Incentive Plan or any Awards granted pursuant thereunder as it determines appropriate, provided however that among other things (a) no amendment, modification, change, suspension or termination may materially impair any rights of a Participant without the consent of such Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements and (b) any amendments to the Equity Incentive Plan or to any Awards granted pursuant to the Equity Incentive Plan are subject to TSX approval.

Notwithstanding the foregoing, shareholder approval will be required for any amendment, modification or change that:

- increases the percentage of Common Shares reserved for issuance under the Equity Incentive Plan, except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

- increases or removes the limits on (a) the number of Common Shares issuable or issued to insiders or (b)the number or value of Awards that may be granted to non-employee directors;

- reduces the exercise price of an Award except pursuant to the provisions in the Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;

- extends the term of an Award beyond the original expiry date except pursuant to provisions which permit the expiry date to be extended in connection with a blackout period;

- permits Awards to be transferred;

- changes the categories of individuals entitled to participate in the Equity Incentive Plan; or

- deletes or reduced the range of amendments to the Equity Incentive Plan which require shareholder approval.

CORPORATE GOVERNANCE

The Company is a Canadian reporting issuer with securities listed for trading on the TSX. Accordingly, the Company is subject to securities regulations that impose a requirement on the Company to disclose certain corporate governance practices that it has adopted. Such securities regulations also provide guidance on various corporate governance practices that Canadian reporting issuers should adopt. We recognize that good corporate governance plays an important role in our overall success and in enhancing shareholder value. We monitor corporate governance developments in Canada and adopt best practices where such practices are aligned with our values and our goal of continuous improvement. A brief description of our corporate governance practices follows.

Board of Directors

Board Mandate

Our Board is responsible for the stewardship of the Company and its business and affairs. In order to assist the Board to fulfil this mandate, the Board has adopted a formal mandate (the "Board Mandate") that sets out the responsibilities of the Board. A copy of the Board Mandate is available on the Company's website at www.loopenergy.com.

As set forth in the Board Mandate, directors are required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Although directors may be appointed or elected by the shareholders to bring special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency, and the best interests of the Company as a whole shall be paramount at all times.

Among other things, the Board Mandate sets forth the Board's responsibility for appointing senior management, strategic planning, monitoring financial performance and financial reporting, risk management, corporate governance, communications and stakeholder engagement, orientation and continuing education, board composition and evaluation and corporate policies.

The Board Mandate requires the Board meet as many times as it considers necessary to carry out its responsibilities effectively and, in any event, on no less than a quarterly basis, at minimum. Board meetings are required to include in camera meetings of the independent members of the Board without any members of management present to allow for open discussions between independent directors.

Independence of the Board

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of certain provisions of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Pursuant to NI 52-110, an "independent director" is a director who has no direct or indirect material relationship with the Company. A "material relationship" is in turn defined as a relationship that could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Guidelines.

Our Board is currently composed of seven directors. The Board has determined that each of the directors other than Ben Nyland and Paul Cataford is independent within the meaning of NI 52-110. Ben Nyland is not considered independent within the meaning of NI 52-110 because he is the President and CEO of the Company. Paul Cataford is not considered independent within the meaning of NI 52-110 because he is the interim Chief Financial Officer and Corporate Secretary of the Company. As set forth in the Board Mandate, meetings of the Board will include in camera meetings of the independent directors.

Orientation and Continuing Education

The Board consists of directors who are familiar with the industry or who bring particular expertise to the Board from their professional experience. New directors are expected to participate in an initial information session on the

Company in the presence of its senior executive officers to learn about, among other things, the business of Loop, its financial situation and its strategic planning. All directors will receive a record of public information about the Company, as well as other relevant corporate and business information including corporate governance practices of the Company, the structure of the Board and its standing committees, its corporate organization, the charters of the Board and its standing committees, the Company's Articles and the Company's Code of Business Conduct and Ethics and other relevant corporate policies. Senior management makes regular presentations to the Board on the main areas of the business and the directors have the opportunity to ask questions and tour Loop's facilities.

The GHRNC reviews, monitors and makes recommendations with respect to director orientation. In addition, the GHRNC shall review, monitor and make recommendations with respect to director continuing education opportunities designed to maintain or enhance the skills and abilities of the Company's directors and to ensure that their knowledge and understanding of the Company's business remains current.

Other Directorships

Certain of the Company's directors sit on the boards of issuers other than the Company. See "*Matters to be Considered at the Meeting – Election of Directors*" for additional information.

Board Committees

Our Board currently has two committees: the Audit Committee and the GHRNC.

Audit Committee

The Audit Committee is comprised of three directors: Sophia Langlois, Kent Thexton and Brad Miller. Each member of the Audit Committee is considered independent within the meaning of NI 52-110. Each member of the Audit Committee is also "financially literate" within the meaning of NI 52-110. For the purposes of NI 52- 110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and level of complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All current and expected members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues.

The Audit Committee is responsible for the review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Additional information about the Audit Committee, including a copy of its mandate, information regarding the qualifications and experience of its members, the Audit Committee pre-approval policies and procedures and external auditor services fees, can be found under the heading "Audit Committee" in the Company's annual information form for the year ended December 31, 2021 (the "2021 AIF"). The 2021 AIF is available under the Company's profile on SEDAR at www.sedar.com. A copy of the Audit Committee's mandate can also be found on the Company's website at www.loopenergy.com.

Governance, Human Resources, Nomination and Compensation Committee ("GHRNC")

The GHRNC is comprised of four directors: Andreas Truckenbrodt, Sophia Langlois, Christopher Clulow and Brad Miller. Each member of the GHRNC is considered independent within the meaning of NI 52-110. For further information on the GHRNC members please see the section entitled "Compensation Discussion and Analysis" above.

The Board has adopted a written charter for the GHRNC, a copy of which is available on the Company's website at www.loopenergy.com. As set forth in its charter, the principal responsibilities of the GNHRC include:

- reviewing and making recommendation with respect to the size and composition of the Board and its committees, including with respect to age, expertise, diversity and geographical representation;
- reviewing and making recommendation with respect to the Board Mandate, committee mandates and charters and position descriptions;
- reviewing criteria relating to director tenure and overseeing director orientation and continuing education;
- identifying and making recommendation to the Board with respect to (i) the list of directors to be nominated for election at annual meetings of shareholders and (ii) candidates to fill vacancies on the Board between shareholder meetings;
- overseeing corporate governance matters, including (i) oversight of compliance with applicable laws, (ii) reviewing proposed amendments to the Company's Articles, (iii) reviewing and making recommendations with respect to Company policies, (iv) monitoring compliance with Code of Business Conducts and Ethics, (v) making recommendations with respect to adherence with corporate governance best practices and (vi) reviewing and advising on disclosure with respect to corporate governance;
- making recommendations to the Board with respect to the appointment of executive officers;
- reviewing and making recommendations to the Board with respect to the CEO's objectives and responsibilities and assessing and reporting to the Board on the performance of the CEO;
- overseeing and making recommendations to the Board with respect to the Company's executive compensation programs, including making recommendations with respect to (i) the annual compensation payable to executive officers, (ii) long-term equity incentive awards and (iii) special employment contracts;
- reviewing the Company's compensation policies and practices to confirm they do not encourage inappropriate or excessive risk-taking;
- succession planning and overseeing the Company's plans and policies for attracting, developing and motivating employees; and
- reviewing, monitoring and making recommendations to the Board with respect to the Company's policies on environmental, social, health and safety, governance and ethics matters.

The GHRNC oversees and recommends for approval by the Board the executive and director compensation principles, policies, programs, grants of equity-based incentives and processes. The GHRNC specifically considers and recommends annually, or as required, for approval by the independent directors of the Board, all forms of compensation for the executive officers and directors of the Company. Further particulars of the process by which compensation for the Company's executive officers and directors is determined is provided under the heading "*Statement of Executive Compensation*".

Nomination and Election of Directors

The GHRNC is responsible for recommending to the Board nominees for election or appointment as directors, as the case may be, in accordance with the provisions of applicable corporate law and the charter of the GHRNC. The GHRNC considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, that the Board considers each existing director to possess, and each new nominee will bring to the boardroom. The GHRNC is expected to also consider the amount of time and resources that nominees have available to fulfill their duties as a member of the Board. The Committee also considers diversity in the nomination process as discussed in the Company's Diversity Policy. For further information see the section entitled "Diversity and Inclusion" below.

Investor Rights Agreement

Pursuant to the Investor Rights Agreement, Apollo shall be entitled to designate one nominee for election to the Board for so long as the CMI Group, holds, in the aggregate, 10% or more of the then outstanding Common Shares on a non-diluted basis. Christopher Clulow is the Apollo Nominee.

Director Tenure

The Board has not adopted a term limit for directors, as the Board believes that the imposition of director term limits may discount the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potential valuable Board members. The Board relies on an annual director assessment procedure, as more fully described below, in evaluating Board members, and believes that it can best strike the right balance between continuity and fresh perspectives without mandated term limits.

Majority Voting Policy

The Company has adopted a majority voting policy to deal with situations where a candidate recommended by the Board for election has more votes withheld than are voted in favour of such nominee. The Company believes that each director should have the confidence and support of the shareholders. Where a director nominee has more votes withheld than are voted in favour of such nominee, the nominee, even though duly elected as a matter of corporate law, is required to tender his or her resignation. The Board will accept the resignation unless there are exceptional circumstances. The Board will, within 90 days after the date of the shareholder meeting, issue a public release either announcing the resignation of the director or justifying its decision not to accept the resignation.

Position Descriptions

Board Chair

The Board Mandate include a position description for the Board chair (the "Chair"), which sets out the Chair's key responsibilities. As set forth in the position description, the Chair's key responsibilities include working with management and managing the Board.

With respect to working with management, the Chair's responsibilities include (a) assisting the CEO to review strategies, define issues, maintain accountability and build relationships, (b) in cooperation with the CEO, representing the Corporation both internally and externally, (c) regularly communicating with the CEO and ensuring the CEO is aware of concerns of the Board, shareholders, other stakeholders and the public and (d) in conjunction with the GHRNC and the Board, assessing the performance of the CEO and other executive officers and provide input with respect to compensation and succession.

With respect to managing the Board, the Chair's responsibilities include (a) ensuring the Board is aware of its obligations to the Company, shareholders, management, other stakeholders and providing leadership to Board in carrying out such obligations, (b) in conjunction with the GHRNC, establishing and reviewing the frequency of Board meetings, (c) making recommendation with respect to the committees of the Board and their composition and performance, (d) ensuring the Board receives adequate and regular updates from the CEO and executive officers on all material issues relating to the Company, (e) acting as a liaison and regularly communicating with all directors and committee chairs to coordinate input from directors and optimize the effectiveness of the Board and its committees and (f) in conjunction with the GHRNC, reviewing and assessing director attendance, performance and compensation as well as the size and composition of the Board.

Committee Chairs

The mandates for each standing committees of the Board includes the responsibilities of each committee chair, including chairing and setting the agenda for committee meetings, working with the respective committee and management to ensure the effective functioning of the committee and providing reports to the Board on the committee's activities and recommendations. These mandates and position descriptions are reviewed by the Board on an annual basis.

Chief Executive Officer

The primary functions of the CEO are to lead the management of the Company's business and affairs and to lead the implementation of the resolutions and the policies of the Board. The Board has developed a written position description which sets out the CEO's key responsibilities, including duties relating to strategic planning, operational direction and interaction with the Board and communication with shareholders. The CEO position description is reviewed by the Board on an annual basis.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all directors, officers, employees and consultants of the Company. A copy of the Code of Business Conduct and Ethics is available on the Company's website at www.loopenergy.com.

The Code of Business Conduct and Ethics sets out our core values and standards of behaviour that are expected with respect to all aspects of our business. The Code of Business Conduct and Ethics is designed to ensure that the Company's directors, officers, employees and consultants act honestly and with integrity and impartiality that is beyond doubt and that all Company business is conducted in a manner that complies with applicable laws, rules, regulations and the Company's policies, avoids conflicts of interest, protects confidential information, in accordance with the Company's disclosure and insider trading policy and adheres to good disclosure practices in accordance with applicable legal and regulatory requirements.

Among other things, the Code of Business Conduct and Ethics includes provisions that relate specifically to:

- compliance with laws, rules and regulations;
- accuracy of corporate records and reporting;
- confidentiality and insider trading;
- conflicts of interest, related party transactions and corporate opportunities;
- protection and proper use of corporate assets;
- competition and fair dealing;
- gifts, favours and entertainment;
- harassment and discrimination;
- environmental, safety and occupational health practices; and
- whistleblowing.

Management of the Company is responsible for investigating and enforcing matters related to the Code of Business Conduct and Ethics and for reporting breaches of the Code to the appropriate officer of the Company. Management is also responsible for communicating the Code to those who, together with the Company's employees, encourage and promote a culture of ethical business conduct.

Any waiver of the Code of Business Conduct and Ethics in respect of a director or officer may be made only by the Board. The CEO may approve waivers in respect of employees and consultants, and must report such waivers to the Board.

Other Company Policies

In furtherance of the purpose and objectives of the Code of Business Conduct and Ethics, the Company has adopted additional standalone policies, including the following:

- Whistleblower Policy – The Company has adopted a Whistleblower Policy with respect to financial misconduct or any other evidence of activity by a director, officer, employee or consultant of the Company that may constitute unethical or questionable business and employment practices.

- Anti-Bribery and Anti-Corruption Policy – The Company has adopted an Anti-Bribery and Anti-Corruption Policy designed order to ensure compliance with anti-bribery and anti-corruption laws and regulations, including *Corruption of Foreign Public Officials Act* (Canada), the *U.S. Foreign Corrupt Practices Act*, the *U.K. Bribery Act* and similar laws and regulations in the People's Republic of China; and

- Corporate Disclosure and Insider Trading Policies – The Company has adopted policies with respect to timely disclosure, confidentiality and insider trading to govern the conduct of the Company's directors, officers, employees and other insiders with respect to the proper maintenance and disclosure of confidential information and the trading of the Company's securities, particularly in the context of material information concerning the Company and its affairs. Among other matters, these policies (a) establishes a disclosure committee responsible for oversight of the Company's public disclosure, (b) establishes a procedure for the designation of individuals authorized to speak on behalf of the Company, (c) establishes rules and procedures for the disclosure of material information and the maintenance of confidential information, (d) sets out prohibited trading activities, including regular and special black-out periods, and (e) describes reporting requirements applicable to insiders.

Diversity and Inclusion

Loop recognizes and embraces the benefits of having diversity on the Board and in its senior management. Accordingly, the Company has adopted a diversity policy (the "Diversity Policy") which expressly recognizes that it is important to ensure that members of the Board and senior management provide the necessary range of perspectives, experience and expertise required to achieve our objectives and deliver for the Company's stakeholders.

Consistent with the GHRNC's written charter, the Diversity Policy expressly provides that the GHRNC must value diversity of experience, perspective, education, background, race, gender and national origin as part of its overall evaluation of director nominees for election or re-election and the Board and the GHRNC will value the same as part of their respective evaluation of candidates for executive positions. This will be achieved through ensuring that diversity considerations are taken into account to fill vacancies, continuously monitoring the level of women represented on the Board and in senior management, continuing to broaden recruiting efforts to attract and interview qualified female candidates, and committing to retention and training to ensure that the Company's most talented employees are promoted from within.

With respect to Board composition, the GHRNC considers diversity of Board composition, including gender considerations, in accordance with the Diversity Policy, in identifying and recommending candidates to the Board to be nominated for election by shareholders at annual meetings of shareholders. Currently, the Board does not believe that formal diversity targets or strict rules set out in a formal policy necessarily result in the identification or selection of the best candidates. At any given time, the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

With respect to senior management appointments, the GHRNC considers and recommends the appointment of executive officers for approval by the Board, which considerations shall include gender considerations, in accordance with the Diversity Policy. At any given time, the Board may seek to adjust one or more objectives concerning senior management diversity and measure progress accordingly. We have not adopted a target regarding women in executive officer positions or as directors of the Company, in part due to the need to consider a balance of criteria for each individual appointment.

The Company has one female director (representing approximately 14.3% of the Board).

Assessments

It is the responsibility of the Board and the GHRNC to regularly evaluate the overall efficiency of the Board and its various committees. In connection with such evaluations by the Board, the performance of the Board as a whole, as well as the performance of each individual director is evaluated and reviewed on an annual basis. The evaluation by the Board takes into account (i) in the case of the Board, the Board mandate and (ii) in the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Board. The GHRNC assesses the contribution of individual directors on an ongoing basis and in light of the opportunities and risks facing the Company, and the competencies, skills and qualities required of directors. As part of its mandate, the GHRNC develops long-term plans for the composition of the Board, as well as ensure that an appropriate system is in place to evaluate the effectiveness of the Board as a whole and its various committees.

OTHER INFORMATION

Indebtedness of Directors and Executive Officers

No director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Company or its subsidiaries, or had any indebtedness to another entity guaranteed by the Company or any of its subsidiaries, at any time since the beginning of the Company's most recently completed financial year.

Interest of Informed Persons in Material Transactions

Other than as set out in this Circular, no "informed person" within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations,* and no proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Other Business

As of the date hereof, management of the Company is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their judgment pursuant to the discretionary authority conferred by the proxy with respect to such matters.

Additional Information

Additional information relating to the Company may be found under our profile on SEDAR at www.sedar.com and on our website and www.loopenergy.com. Financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for year ended December 31, 2022. Shareholders may obtain copies of the Company's consolidated financial statements and management's discussion and analysis by contacting the Company at 2880 Production Way, Burnaby, BC, V5A 4T6, Canada, Attention: Paul Cataford, Chief Financial Officer.