

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF MONROE**

CARLOS NIEVES, Derivatively On Behalf Of
LI-CYCLE HOLDINGS CORP.,

Plaintiff,

vs.

TIM JOHNSTON, SUSAN ALBAN,
JACQUELINE DEDO, DIANE PEARSE,
SCOTT PROCHAZKA, KUNAL SINHA,
ANTHONY TSE, MARK WELLINGS, AJAY
KOCHHAR, DEBBIE SIMPSON, RICK
FINDLAY, and ALAN LEVANDE,

Defendants,

-and-

LI-CYCLE HOLDINGS CORP.,

Nominal Defendant.

Index No.: _____

Plaintiff designates
New York County
as the place of trial

The basis of venue is
Residence of Defendants

SUMMONS

To the above named Defendants

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the Plaintiff's Attorneys within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
December 04, 2023

GAINEY McKENNA & EGGLESTON

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Defendants,

-and-

LI-CYCLE HOLDINGS CORP.,

Nominal Defendant.

Case No.:

**VERIFIED SHAREHOLDER
DERIVATIVE COMPLAINT**

JURY DEMANDED

Plaintiff Carlos Nieves (“Plaintiff”), by and through his undersigned counsel, derivatively on behalf of Nominal Defendant Li-Cycle Holdings Corp. (“Li-Cycle” or the “Company”), submits this Verified Shareholder Derivative Complaint (the “Complaint”). Plaintiff’s allegations are based upon his personal knowledge as to himself and his own acts, and upon information and belief, developed from the investigation and analysis by Plaintiff’s counsel, including a review of publicly available information, including filings by Li-Cycle with the U.S. Securities and Exchange Commission (“SEC”), press releases, news reports, analyst reports, investor conference transcripts, publicly available filings in lawsuits, and matters of public record. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable

opportunity for discovery.

NATURE OF THE ACTION

1. This is a shareholder derivative action that seeks to remedy wrongdoing committed by Li-Cycle directors and officers from June 14, 2022 and October 23, 2023 (the “Relevant Period”).

2. Li-Cycle is a battery resource recovery company and purports to be “an industry leader in lithium-ion battery resource recovery and the leading lithium-ion battery recycler in North America.” According to its website, Li-Cycle has “four operational Spoke recycling facilities in North America” and plans to open its Rochester Hub which is “expected to be the first commercial hydrometallurgical battery resource recovery facility and the first source of recycled battery-grade lithium carbonate production in North America.”

3. On October 23, 2023, before the market opened, Li-Cycle announced that it would halt construction work on its Rochester Hub project pending a comprehensive review of the project including construction strategy, even though “engineering and procurement for the project are largely complete.” The Company also disclosed it had “recently experienced escalating construction costs” and now “expects the aggregate cost for the current scope of the project to exceed its previously disclosed guidance.”

4. On this news, Li-Cycle shares declined by \$1.04, or approximately 45.81%, to close at \$1.23 per share on October 23, 2023, on unusually heavy trading volume.

5. Throughout the Relevant Period, the Individual Defendants (defined below) made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, the Individual Defendants failed to disclose to investors: (i) that the Company’s Rochester Hub was allegedly experiencing

escalating construction costs; (ii) that these alleged “escalating construction costs” exceeded the expected aggregate cost of the project; (iii) that, as a result, the Company allegedly would be forced to temporarily halt construction and reevaluate the construction strategy for the Rochester Hub; and (iv) that, as a result of the foregoing, the Individual Defendants’ alleged positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

6. As a result of the wrongful acts and omissions, the Company suffered significant damage.

JURISDICTION AND VENUE

7. This Court has jurisdiction over the claims asserted herein because the amount in controversy exceeds the sum of \$25,000, exclusive of interest and costs.

8. Venue is proper in this Court because the Company, the true plaintiff to this derivative action, has its principal place of business in this County, located at 55 Mclaughlin Rd, Rochester, NY 14615. Defendant Sinha is also a citizen of New York.

9. Venue is also proper in this Court because a substantial portion of the transactions and wrongs complained of herein occurred in this County, and Defendants have received substantial compensation in this County by doing business here and engaging in numerous activities that had an effect in this County.

PARTIES

Plaintiff

10. *Plaintiff Carlos Nieves* (“Plaintiff”) acquired the Company securities on September 28, 2021 and will continue to hold Li-Cycle shares throughout the pendency of this action. Plaintiff will fairly and adequately represent the interests of the shareholders in enforcing

the rights of the corporation.

Nominal Defendant

11. *Nominal Defendant Li-Cycle* is corporation with a substantial presence and operations in the U.S. and with its North American head office and a separate “Spoke” both located in Rochester, New York. Li-Cycle’s common stock trades on the New York Stock Exchange (“NYSE”) under the symbol “LICY.”

Director Defendants

12. *Defendant Tim Johnston* (“Johnston”) is the Company’s co-founder and has also been the Company’s Executive Chairman since the Company’s business combination with Peridot Acquisition Corp. in August 2021.

13. *Defendant Susan Alban* (“Alban”) has been a Company director since April 2023. Defendant Alban is a member of the Company’s Compensation Committee and Health, Safety, Environment & Sustainability (“HSE&S”) Committee.

14. *Defendant Jacqueline Dedo* (“Dedo”) has been a Company director since August 2022. Defendant Dedo is the Chair of the Company’s Compensation Committee and serves as a member of the Audit Committee and Nomination and Corporate Governance (“N&G”) Committee.

15. *Defendant Diane Pearse* (“Pearse”) has been a Company director since April 2023. Defendant Pearse is a member of the Company’s Audit Committee and HSE&S Committee.

16. *Defendant Scott Prochazka* (“Prochazka”) has been a Company director since at least the business combination in August 2021. Defendant Prochazka is the Chair of the Company’s Audit Committee and a member of the Compensation Committee and N&G Committee.

17. **Defendant Anthony Tse** (“Tse”) has been a Company director since 2019. Defendant Tse is also the Chair of the Company’s HSE&S Committee.

18. **Defendant Mark Wellings** (“Wellings”) has been a Company director since at least the business combination in August 2021. Defendant Wellings is also the Chair of the Company’s N&G Committee and a member of the Audit Committee and Compensation Committee.

19. **Defendant Kunal Sinha** (“Sinha”) has been a Company director since June 2022. Defendant Sinha is also a member of the Company’s HSE&S Committee. Upon information and belief, Defendant Sinha is a citizen of New York.

Officer Defendants

20. **Defendant Ajay Kochhar** (“Kochhar”) is, and was at all relevant times, the Company’s President, Chief Executive Officer (“CEO”), co-founder, and director. Defendant Kocchar is also a named defendant in the Securities Class Action (defined below).

21. **Defendant Debbie Simpson** (“Simpson”) is, and was at all relevant times, the Company’s Chief Financial Officer (“CFO”), having joined the Company in February 2022. Defendant Simpon is also a named defendant in the Securities Class Action.

Former Director Defendants

22. **Defendant Rick Findlay** (“Findlay”) was a Company director from 2017 until his retirement from the Board in March 2023.

23. **Defendant Alan Levande** (“Levande”) was a Company director from the Company’s business combination in August 2021 until his retirement from the Board in March 2023.

24. The above-named defendants at ¶¶ 12–19 are referred to hereinafter as the “Director Defendants.”

25. The above-named defendants at ¶¶ 20–21 are referred to hereinafter as the “Officer Defendants.”

26. The above-named defendants at ¶¶ 22–23 are referred to hereinafter as the “Former Director Defendants.”

27. The above-named defendants at ¶¶ 12–23 are referred to hereinafter as the “Individual Defendants.”

DUTIES OF THE INDIVIDUAL DEFENDANTS

28. By reason of their positions as officers, directors, and/or fiduciaries of Li-Cycle and because of their ability to control the business and corporate affairs of Li-Cycle, the Individual Defendants owed the Company and its shareholders the fiduciary obligations of trust, loyalty, good faith, and due care, and were and are required to use their utmost ability to control and manage the Company in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of the Company and its shareholders.

29. Each director and officer of the Company owes to the Company and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the affairs of the Company and in the use and preservation of its property and assets, as well as the highest obligations of fair dealing. In addition, as officers and/or directors of a publicly held company, the Individual Defendants had a duty to promptly disseminate accurate and truthful information regarding the Company’s operations, finances, financial condition, and present and future business prospects so that the market price of the Company’s stock would be based on truthful and accurate information.

30. The Individual Defendants, because of their positions of control and authority as directors and/or officers of the Company, were able to and did, directly and/or indirectly, exercise

control over the wrongful acts complained of herein, as well as the contents of the various public statements issued by the Company. Because of their advisory, executive, managerial and directorial positions with the Company, each of the Defendants had access to adverse non-public information about the financial condition, operations, sales and marketing practices, and improper representations of the Company.

31. To discharge their duties, the officers and directors of the Company were required to exercise reasonable and prudent supervision over the management, policies, practices, and controls of the financial affairs of the Company. By virtue of such duties, the officers and directors of the Company were required to, among other things:

(a) Ensure that the Company complied with its legal obligations and requirements, including acting only within the scope of its legal authority and disseminating truthful and accurate statements to the SEC and the investing public;

(b) Conduct the affairs of the Company in an efficient, businesslike manner so as to make it possible to provide the highest quality performance of its business, to avoid wasting the Company's assets, and to maximize the value of the Company's stock;

(c) Properly and accurately guide investors and analysts as to the true financial condition of the Company at any given time, including making accurate statements about the Company's business prospects, and ensuring that the Company maintained an adequate system of financial controls such that the Company's financial reporting would be true and accurate at all times;

(d) Remain informed as to how the Company conducted its operations, and, upon receipt of notice or information of imprudent or unsound conditions or practices, make reasonable inquiries in connection therewith, take steps to correct such conditions or

practices, and make such disclosures as necessary to comply with federal and state securities laws;

(e) Ensure that the Company was operated in a diligent, honest, and prudent manner in compliance with all applicable federal, state and local laws, and rules and regulations; and

(f) Ensure that all decisions were the product of independent business judgment and not the result of outside influences or entrenchment motives.

32. Each Individual Defendant, by virtue of his or her position as a director and/or officer, owed to the Company and to its shareholders the fiduciary duties of loyalty, good faith, and the exercise of due care and diligence in the management and administration of the affairs of the Company, as well as in the use and preservation of its property and assets. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of the Company, the absence of good faith on their part, and a reckless disregard for their duties to the Company and its shareholders that the Individual Defendants were aware or should have been aware posed a risk of serious injury to the Company.

33. The Individual Defendants breached their duties of loyalty and good faith by causing the Company to misrepresent the information as detailed *infra*. The Individual Defendants subjected the Company to the costs of defending, and the potential liability from, the securities class action entitled *Davis v. Li-Cycle Holdings Corp., et al.*, Case No. 1:23-cv-09894 (S.D.N.Y.) (the “Securities Class Action”). As a result, the Company has expended, and will continue to expend, significant sums of money.

34. The Individual Defendants’ actions have irreparably damaged the Company’s corporate image and goodwill.

THE COMPANY'S CORPORATE GOVERNANCE

35. At all relevant times, the Company had in place corporate governance documents imposing duties and responsibilities on its directors and officers, and additional duties on the Company's committee members. Accordingly, each of the Individual Defendants were required to comply with the corporate governance documents, as detailed below.

Code of Business Conduct and Ethics

36. The Company has in place its Code of Business Conduct and Ethics ("Code of Conduct") applicable to all "directors, officers, and employees" and "focuses on the expectations, values, ethical conduct and commitment that the Company expects from each of its employees." The Code of Conduct "summarizes the standards that must guide our actions in representing the Company" as one of the Company's "most valuable assets" is its "reputation for integrity, professionalism and fairness."

37. The Code of Conduct highlights the importance of "conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations."

38. In a section entitled "Accuracy of the Company's Records," the Code of Conduct states:

All official records showing the conduct of the Company's business must be accurate and complete in all material respects. All those involved in the preparation of such materials should consider the accuracy of the records to be of critical importance, and should understand that the Company does not maintain, nor does it countenance, any off-the-books funds for any purposes. It is the policy of the Company to fully and fairly disclose the financial condition of the Company in compliance with applicable accounting principles, laws, regulations and rules. All books and records of the Company shall be kept in such a way as to fully and fairly reflect all Company transactions in accordance with International Financial Reporting Standards.

The Company has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about the Company's financial condition and results of operations. Our reports and documents filed with or submitted to the

U.S. Securities and Exchange Commission and/or the Ontario Securities Commission, as well as our other public communications, shall include full, fair, accurate, timely and understandable disclosure.

39. All employees, officers and directors of the Company are expected to comply with the Code of Conduct. Accordingly, the Company “encourages all employees, officers and directors to report any suspected violations [of the Code of Conduct or Company policies] promptly and intends to thoroughly investigate any good faith reports of violations.”

40. The Company further has in place the Code of Ethics for Principal Executive and Senior Financial Officers applicable to the CEO, CFO, Executive Chair, and all other senior financial officers of the Company. This Code of Ethics states that: “[a]s a Senior Officer, you must not only comply with applicable laws, rules and regulations, but also must abide by the Company’s Code of Conduct, this Code and other Company policies and procedures. You also have a responsibility to conduct yourself in an honest and ethical manner. Your leadership responsibilities include creating a culture of high ethical standards and commitment to compliance, maintaining a work environment that encourages employees to raise concerns, and promptly addressing employee compliance concerns.”

41. This further Code of Ethics for Senior Officers provides that “[e]ach Senior Officer shall act with honesty and integrity in the performance of his or her duties at the Company, shall endeavor to comply with all securities and other laws, rules and regulations of federal, state, provincial and local governments and other private and public regulatory agencies that affect the conduct of the Company’s business and the Company’s financial reporting, and this Code, the Company’s Code of Conduct and other Company policies and procedures.”

42. Further, with respect to “Disclosures,” the Code of Ethics for Senior Officers states:

It is Company policy to make full, fair, accurate, timely, and understandable disclosure in compliance with all applicable laws and regulations in all reports and

documents that the Company files with, or submits to, the Securities and Exchange Commission or Canadian securities regulatory authorities, as well as in other public communications made by the Company. As a Senior Officer, you are required to promote compliance by all employees with this policy and to abide by Company standards, policies and procedures designed to promote compliance with this policy. It is the responsibility of the CEO and each Senior Officer to promptly bring to the attention of the General Counsel or the CEO any material information of which he or she may become aware that affects the disclosures made by the Company in public filings and communications. Without limiting the generality of the foregoing, each Senior Officer shall promptly bring to the attention of the General Counsel or CEO any information he or she may have concerning:

- (a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data; or
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.

43. The conduct of the Individual Defendants complained of herein involves a knowing and culpable violation of their obligations as directors and officers of the Company, the absence of good faith on their part, and a reckless disregard for their duties to the Company and its investors that the Individual Defendants were aware posed a risk of serious injury to the Company.

Board of Directors Charter

44. The Board of Directors Charter states that the Board "is responsible for the supervision of the management of the business and affairs of the Company. The Board, directly and through its committees, will provide direction to senior management, generally through the President and Chief Executive Officer [...], to pursue the best interests of the Company."

45. The Board of Directors Charter further provides that the Board "will act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances."

46. Moreover, the Board of Directors Charter sets forth certain responsibilities of the

Board over, *inter alia*: (i) the Company's strategy and budget; (ii) corporate governance; (iii) risk management, internal controls and compliance, (iv) financial reporting; and (v) communications.

Audit Committee Charter

47. The Audit Committee Charter imposed additional duties on the Audit Committee members – consisting of Defendants Dedo, Pearse, Prochazka, and Wellings. The Audit Committee Charter states that the Audit Committee will assist the Board in fulfilling its oversight responsibilities by: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors.

N&G Committee Charter

48. The N&G Committee Charter sets forth additional duties of the N&G Committee – comprised of Defendants Dedo, Prochazka, and Wellings. The N&G Committee Charter states, in relevant part, that the N&G Committee is to assist the Board in fulfilling its responsibilities with respect to “overseeing the establishment of the Company's corporate governance policies and practices.”

BACKGROUND

49. The Company is a battery resource recovery company and lithium-ion battery recycler which recycles battery manufacturing scrap and end-of-life batteries to produce black mass, a powder-like substance which contains a number of valuable metals, including lithium, nickel, and cobalt. The Company touts its “four operational Spoke recycling facilities in North America” and plans to open post-processing facilities, to process black mass, and its first facility

is being constructed in Rochester, New York (the “Rochester Hub”).

50. In March 2022, the Company announced that it had received the necessary permits and began construction of the Rochester Hub. The Company targeted commissioning the facility in 2023, and the Rochester Hub was expected to process 35,000 tonnes of black mass annually and to generate approximately 42,000 to 48,000 tonnes of nickel sulphate, 7,500 to 8,500 tonnes of lithium carbonate and 6,500 to 7,500 tonnes of cobalt sulphate. Li-Cycle expected the total capital investment for the Rochester Hub to be approximately \$485 million.

THE FALSE AND MISLEADING STATEMENTS

51. On June 14, 2022, Li-Cycle announced its second quarter 2022 financial results in a press release, stating the Company had “Progressed the Rochester Hub and continue[s] to be on track for commissioning in 2023.”

52. That same day, the Company submitted to the SEC a Form 6-K to report its second quarter 2022 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” wherein the Company stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash and cash equivalents. Li-Cycle has engaged Hatch Ltd. as its engineering and procurement contractor. Hatch is also providing select construction management services such as onsite field engineering support and overall project scheduling for the Hub project. Procurement activities have commenced on all equipment and select construction materials for the Rochester Hub. Li-Cycle commenced construction on the Rochester Hub site in January 2022 and has engaged Mastec Inc. as its general contractor. The Company expects the Rochester Hub to reach mechanical completion in 2023.

53. Then, on September 14, 2022, Li-Cycle announced its third quarter 2022 financial results in a press release (“3Q22 Press Release”), stating the Company had “Progressed

construction at the Rochester Hub; on track to commence commissioning in stages in calendar 2023[.]”

54. Along with its 3Q22 Press Release, the Company filed with the SEC its Form 6-K to report its third quarter 2022 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” in which the Company reiterated that “The Company expects the Rochester Hub to commence commissioning in phases in calendar 2023.” Moreover, the press release stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$485 million (+/-15%), based on the results of the definitive feasibility study, which can be funded from existing balance sheet cash and cash equivalents.

55. Then, on January 30, 2023, the Company announced its fourth quarter and full year 2022 financial results in a press release, stating:

Advanced the Rochester Hub with key engineering, procurement, and construction milestones; continue to be on track for both project budget and schedule, to commence commissioning in late calendar 2023;

* * *

Maintained project budget and schedule for the Rochester Hub, expected to be the first commercial hydrometallurgical battery resource recovery facility in North America;

* * *

“We are pleased by our strong fourth quarter operating performance as we brought on our third-generation Arizona and Alabama Spokes, which have a first-of-its kind full battery pack processing capabilities,” said Ajay Kochhar, Li-Cycle President and Chief Executive Officer. “Also significant, at our Rochester Hub, we made meaningful progress on engineering, procurement, and construction, keeping us in-line with our targeted budget and schedule, with commissioning expected to commence in late calendar 2023.”

* * *

The Rochester Hub has made significant progress to date on key engineering,

procurement, and construction milestones. Through January 2023, these include:

- >90% process equipment ordered;
- Achieved nearly 75% completion of the warehouse and associated administration center for storage of black mass and finished battery-grade materials;
- Progressed construction of the cobalt, nickel and manganese process buildings;
- ~65% of detailed engineering completed; and
- Largely completed civil works, underground utilities and electrical infrastructure. These achievements are expected to keep the project on track to initiate commissioning in late calendar 2023, and capital costs within the targeted budget (\$486 million +/-15%)

56. On February 6, 2023, the Company submitted to the SEC its Form 20-F reporting financial results for the fiscal year ended October 31, 2022. Therein, the Company stated: “The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late calendar 2023.”

57. On May 15, 2023, Li-Cycle announced its first quarter 2023 financial results in a press release (“1Q23 Press Release”), stating in relevant part:

Advanced the construction of Rochester Hub, maintaining budget and schedule to commence commissioning in late 2023;

* * *

The Rochester Hub has continued to make significant strides on construction milestones, with procurement of long lead process equipment ahead of schedule and detailed engineering largely completed. The project remains on schedule for commissioning in late 2023 with construction costs within budget, trending at the higher end of the \$486 million to \$560 million range.

58. Concurrent with the 1Q23 Press Release, the Company submitted to the SEC its Form 6-K to report its first quarter 2023 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results

Of Operations” wherein the Company reiterated that “the Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages in late 2023.” Moreover, the press release stated:

Li-Cycle estimates that the Rochester Hub will require a total capital investment of approximately \$486 million (+/-15%) based on the definitive feasibility study. Costs for the Rochester Hub are trending towards the higher end of the budgeted range, with spend to date of \$178.4 million at March 31, 2023.

59. Then, on August 14, 2023, Li-Cycle announced its second quarter financial results in a press release (“2Q23 Press Release”), which stated:

Advanced construction of the Rochester Hub, maintaining start of commissioning in late 2023; successfully received and installed the largest piece of progress equipment on site – video link here [link omitted];

* * *

The Rochester Hub achieved significant milestones and remains on schedule to start commissioning in late 2023. Detailed engineering and procurement are nearly complete. Construction activities are progressing on site, with major buildings nearing completion, steel and concrete installation progressing, alongside the start of mechanical and electrical equipment installation. The Company is focused on actively managing the construction labor as part of the Rochester Hub construction budget of \$560 million.

60. Concurrent with the 2Q23 Press Release, the Company submitted to the SEC a Form 6-K to report its second quarter 2023 financial results, signed by Defendant Kochhar. Attached as Exhibit 99.3 was “Management’s Discussion And Analysis Of Financial Condition And Results Of Operations” wherein it was reiterated:

The Rochester Hub has made significant progress to date on key engineering, procurement and construction milestones and is expected to initiate commissioning in stages starting in late 2023. Detailed engineering and procurement are nearly complete. Construction activities are processing on site, with major buildings nearing completion, steel and concrete installation progressing, alongside the start of mechanical and electrical equipment installation. The Company is focused on actively managing the construction labor as part of the Rochester Hub construction budget of \$560 million. Capital expenditures for the Rochester Hub were \$70.9 million during the three months ended June 30, 2023 with spend to date of \$227.0

million at June 30, 2023.

61. The above statements were materially false and/or misleading and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, the Individual Defendants failed to disclose to investors: (i) that the Company's Rochester Hub was allegedly experiencing escalating construction costs; (ii) that these alleged "escalating construction costs" exceeded the expected aggregate cost of the project; (iii) that, as a result, the Company allegedly would be forced to temporarily halt construction and reevaluate the construction strategy for the Rochester Hub; and (iv) that, as a result of the foregoing, the Individual Defendants' alleged positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

THE TRUTH EMERGES

62. On October 23, 2023, before the market opened, Li-Cycle issued a press release entitled "Li-Cycle Announces Review of the Rochester Hub Project," which revealed:

As previously disclosed, engineering and procurement for the project are largely complete, with the current focus being on construction activities on site. Li-Cycle has recently experienced escalating construction costs. Accordingly, the Company expects the aggregate cost for the current scope of the project to exceed its previously disclosed guidance. ***In light of these developments, the Board of Directors has decided to pause construction work on the Rochester Hub, pending a review of the project, including an evaluation of the go-forward phasing of its scope and budget, including construction strategy. Li-Cycle continues to work closely with the U.S. Department of Energy ("DOE") with respect to the previously announced \$375 million loan commitment through the Advanced Technology Vehicles Manufacturing ("ATVM") program for the project, in conjunction with the project review.*** [Emphasis added].

63. On this news, Li-Cycle shares declined by \$1.04, or approximately 45.81%, to close at \$1.23 per share on October 23, 2023, on unusually heavy trading volume.

64. As a result of the Individual Defendants' wrongful acts and omissions, as alleged herein, the Company has suffered significant losses and damages.

DAMAGES TO THE COMPANY

65. As a direct and proximate result of the Individual Defendants' conduct, the Company has and will continue to lose and expend many millions of dollars.

Securities Class Action



66. On November 8, 2023, the Securities Class Action was filed in the United States District Court for the Southern District of New York alleging violations of federal securities laws against the Company and Defendants Kochhar and Simpson, on behalf of "persons and entities that purchased or otherwise acquired Li-Cycle securities between June 14, 2022 and October 23, 2023, inclusive."

67. In particular, the Securities Class Action alleges violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act.

68. As a result, the Company has had to expend significantly on defending itself and certain of the Individual Defendants against the Securities Class Action and will continue to expend significantly on its defense and any verdict or settlement that may result.

Unjust Compensation

69. Further, the losses incurred by the Company include lavish compensation and benefits paid to the Individual Defendants in 2022 who breached their fiduciary duties to the Company, as follows:

Name (Age)	5-Year Trend	2022
Ajay Kochhar (31) Director, President and Chief Executive Officer		1,854,860
Debbie Simpson (56) Chief Financial Officer		4,395,959

Name (Age)	Committees	2022
Tim Johnston (37) Executive Chairman of the Board	—	—
Jacqueline A. Dedo (61) Independent Director	Compensation, Health, Safety, Environment and Sustainability, Nominating and Governance	114,575
Rick Findlay (65) Independent Director	Audit, Compensation, Health, Safety, Environment and Sustainability	205,000
Alan Levande (66) Director	—	192,500
Scott Mathew Prochazka (56) Independent Director	Audit, Compensation, Nominating and Governance	210,000
Kunal Sinha (42) Director	Health, Safety, Environment and Sustainability	151,359
Anthony Tse (52) Independent Director	Health, Safety, Environment and Sustainability	208,801
Mark Wellings (59) Independent Director	Audit, Compensation, Nominating and Governance	227,500

70. The Company paid the Individual Defendants in connection with their respective roles as officers and/or directors of the Company. Accordingly, as part of their respective roles, the Individual Defendants were required to, among other things, exercise due care and act in the best interests of the Company, act honestly and ethically and in compliance with all laws and

regulations, maintain adequate internal controls, and ensure full and accurate disclosures in public filings and statements. Further, each of the Individual Defendants had additional duties and responsibilities owed to the Company by virtue of their executive and/or committee roles, as detailed *supra*, for which they were compensated for.

71. However, the Individual Defendants failed to carry out their duties adequately or at all, causing harm to the Company, as alleged herein. Because the Individual Defendants failed to carry out their respective duties, the compensation they received during the Relevant Period was excessive and unjust. As such, the Individual Defendants were unjustly enriched to the detriment of the Company.

Additional Damage to the Company

72. In addition to the damages specified above, the Company will also suffer further losses in relation to any internal investigations and amounts paid to lawyers, accountants, and investigators in connection thereto.

73. The Company will also suffer losses in relation to the Company's failure to maintain adequate internal controls; including the expense involved with implementing and maintaining improved internal controls.

74. As a direct and proximate result of Defendants' conduct, the Company has also suffered and will continue to suffer a loss of reputation and goodwill, and a "liar's discount" that will plague the Company's stock in the future due to the Company's and their misrepresentations and Defendants' breaches of fiduciary duties and misconduct as alleged herein.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

75. Plaintiff brings this action derivatively in the right and for the benefit of the Company to redress injuries suffered and to be suffered as a direct and proximate result of

Individual Defendants' violations of the law, and their breaches of fiduciary duties, waste of corporate assets, and other wrongful conduct as alleged herein.

76. Plaintiff is a current owner of Li-Cycle securities and has owned Li-Cycle stock at all relevant times hereto. Plaintiff understands his obligation to hold Li-Cycle stock throughout the pendency of this action and is prepared to do so, in accordance with New York Business Corporation Law § 626(b).

77. Plaintiff will adequately and fairly represent the interests of the Company in enforcing and prosecuting its rights and has retained counsel competent and experienced in derivative litigation.

78. Because of the facts set forth herein, Plaintiff has not made a demand on the Board to institute this action against the Individual Defendants. Such a demand would be a futile and useless act because the Board is incapable of making an independent and disinterested decision to institute and vigorously prosecute this action.

79. At the time this suit was filed, the Board was comprised of nine (9) members – the Director Defendants along with Defendant Kochhar (“Current Director Defendants”). Thus, Plaintiff is required to show that a majority of the Board, *i.e.*, five (5), could not exercise independent objective judgment about whether to bring this action or whether to vigorously prosecute this action.

80. Each of the Current Director Defendants face a likelihood of liability in this action because they caused and/or permitted the Company to make false and misleading statements and omissions concerning the information described herein. Because of their advisory, managerial, and directorial positions within the Company, the Current Director Defendants had knowledge of material, non-public information regarding the Company and were directly involved in the

operations of the Company at the highest levels.

81. The Current Director Defendants either knew or should have known of the false and misleading statements and omissions that were issued on the Company's behalf and took no steps in a good faith effort to prevent or remedy that situation.

82. The Current Director Defendants cannot exercise independent objective judgment about whether to bring this action or whether to vigorously prosecute this action. For the reasons that follow, and for reasons detailed elsewhere in this Complaint, Plaintiff did not make (and was excused from making) a pre-filing demand on the Board to initiate this action because making a demand would have been a futile and useless act.

83. Each of the Current Director Defendants approved and/or permitted the wrongs alleged herein to have occurred and, with gross negligence, disregarded the wrongs complained of herein and are therefore not disinterested parties.

84. Each of the Current Director Defendants authorized and/or permitted the false statements to be disseminated directly to the public and made available and distributed to shareholders, authorized and/or permitted the issuance of various false and misleading statements and omissions, and are principal beneficiaries of the wrongdoing alleged herein, and thus, could not fairly and fully prosecute such a suit even if they instituted it.

85. Additionally, each of the Current Director Defendants received payments, benefits, stock options, and other emoluments by virtue of their membership on the Board and their control of the Company.

Defendant Johnston

86. Defendant Johnston is the co-founder and Executive Chairman of the Company. As a director, Defendant Johnston was required to, among other things: (a) approve and assess

compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Johnston failed to fulfil these duties by permitting the false and/or misleading statements to be made.

87. Moreover, as Executive Chairman, Defendant Johnston was subject to the further responsibilities set forth in the Code of Ethics, *supra*. Defendant Johnston failed to uphold these heightened responsibilities expected of him as Executive Chairman as he permitted the false and/or misleading statements to be made.

88. As co-founder, Defendant Johnston has an intrinsic interest in the Company and cannot reasonably consider a demand to sue the officers and directors with whom he built the Company and works with on a day-to-day basis. Therefore, Defendant Johnston is not independent.

89. Defendant Johnston is neither independent nor disinterested. Any demand upon Defendant Johnston is futile and, thus, excused.

Defendant Kochhar

90. Defendant Kochhar is the current President, CEO, co-founder, and director of the Company. Accordingly, Defendant Kocchar fails the NYSE's "bright-line" independence test and cannot, therefore, be considered independent.

91. The Company also provides Defendant Kochhar with his primary source of income and has done so for many years. Indeed, Defendant Kochhar received in excess of \$1.8 million in 2022. As such, Defendant Kocchar cannot consider a demand to sue Defendants Alban, Dedo,

Prochazka, and Wellings – the Compensation Committee who control his continued employment and pay – or fellow members of management with whom he works on a day-to-day basis. Defendant Kochhar, as a co-founder, also has an intrinsic interest in the Company and cannot reasonably consider a demand to sue the directors and officers with whom he built the Company. Therefore, Defendant Kochhar is not independent.

92. As a director, Defendant Kochhar was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Kochhar failed to fulfil these duties by making the false and/or misleading statements.

93. Moreover, as CEO, Defendant Kochhar was subject to the further responsibilities set forth in the Code of Ethics, *supra*. Defendant Kochhar failed to uphold these heightened responsibilities expected of him as CEO as he made the false and/or misleading statements.

94. Defendant Kochhar made false and/or misleading statements and, as a result, is a named defendant in the Securities Class Action and faces a substantial likelihood of liability therefor.

95. Defendant Kochhar is neither independent nor disinterested. Any demand upon Defendant Kochhar is futile and, thus, excused.

Defendant Alban

96. Defendant Alban is a director of the Company and has been since April 2023. As a director, Defendant Alban was required to, among other things: (a) approve and assess

compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Alban failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

97. Defendant Alban, in connection with her role as a director, receives substantial compensation from the Company. Accordingly, Defendant Alban could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

98. Defendant Alban is neither independent nor disinterested. Any demand upon Defendant Alban is futile and, thus, excused.

Defendant Dedo

99. Defendant Dedo is a director of the Company and has been since August 2022. As a director, Defendant Dedo was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

100. Defendant Dedo is also a member of the Audit Committee and thus has further additional duties by virtue of her position on the Audit Committee. Such additional duties include:

(i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made.

101. Defendant Dedo is also a member of the N&G Committee which is responsible for assisting the Board in fulfilling its responsibilities with respect to "overseeing the establishment of the Company's corporate governance policies and practices." Despite this, Defendant Dedo failed to fulfil these duties by permitting the false and/or misleading statements to be made.

102. Defendant Dedo, in connection with her role as a director, receives substantial compensation from the Company and received in excess of \$114,000 in 2022. Accordingly, Defendant Dedo could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

103. Defendant Dedo is neither independent nor disinterested. Any demand upon Defendant Dedo is futile and, thus, excused.

Defendant Pearse

104. Defendant Pearse is a director of the Company. As a director, Defendant Pearse was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant

Pearse failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

105. Defendant Pearse is also a member of the Audit Committee and thus has further additional duties by virtue of her position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Pearse failed to fulfil these duties by permitting the false and/or misleading statements to be made.

106. Defendant Pearse, in connection with her role as a director, receives substantial compensation from the Company. Accordingly, Defendant Pearse could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve her continued lucrative compensation, including herself.

107. Defendant Pearse is neither independent nor disinterested. Any demand upon Defendant Pearse is futile and, thus, excused.

Defendant Prochazka

108. Defendant Prochazka is a director of the Company. As a director, Defendant Prochazka was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this,

Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

109. Defendant Prochazka is also the Chair of the Audit Committee and thus has further additional duties by virtue of his position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made.

110. Defendant Prochazka is also a member of the N&G Committee which is responsible for assisting the Board in fulfilling its responsibilities with respect to "overseeing the establishment of the Company's corporate governance policies and practices." Despite this, Defendant Prochazka failed to fulfil these duties by permitting the false and/or misleading statements to be made.

111. Defendant Prochazka, in connection with his role as a director, receives substantial compensation from the Company, earning \$210,000 in 2022. Accordingly, Defendant Prochazka could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

112. Defendant Prochazka is neither independent nor disinterested. Any demand upon Defendant Prochazka is futile and, thus, excused.

Defendant Sinha

113. Defendant Sinha is a director of the Company. As a director, Defendant Sinha was

required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Sinha failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

114. Defendant Sinha, in connection with his role as a director, receives substantial compensation from the Company, earning in excess of \$150,000 in 2022. Accordingly, Defendant Sinha could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

115. Defendant Sinha is neither independent nor disinterested. Any demand upon Defendant Sinha is futile and, thus, excused.

Defendant Tse

116. Defendant Tse is a director of the Company. As a director, Defendant Tse was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Tse failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

117. Defendant Tse, in connection with his role as a director, receives substantial

compensation from the Company, earning in excess of \$208,000 in 2022. Accordingly, Defendant Tse could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

118. Defendant Tse is neither independent nor disinterested. Any demand upon Defendant Tse is futile and, thus, excused.

Defendant Wellings

119. Defendant Wellings is a director of the Company. As a director, Defendant Wellings was required to, among other things: (a) approve and assess compliance with all significant policies and procedures by which the Company is operated; (b) approve policies and procedures designed to help ensure that the Company operates within applicable laws and regulations; (c) ensure the integrity and adequacy of internal controls; and (d) encourage effective and adequate communication with shareholders, other stakeholders, and the public. Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made and failing to correct them.

120. Defendant Wellings is also a member of the Audit Committee and thus has further additional duties by virtue of his position on the Audit Committee. Such additional duties include: (i) monitoring the integrity of the Company's financial statements, financial reporting process and systems of internal controls and procedures; (ii) ensuring compliance by the Company with applicable legal and regulatory requirements; (iii) reviewing areas of potential significant financial risk to the Company; and (iv) evaluating and monitoring the independent auditors. Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made.

121. Defendant Wellings is also Chair of the N&G Committee which is responsible for

assisting the Board in fulfilling its responsibilities with respect to “overseeing the establishment of the Company’s corporate governance policies and practices.” Despite this, Defendant Wellings failed to fulfil these duties by permitting the false and/or misleading statements to be made.

122. Defendant Wellings, in connection with his role as a director, receives substantial compensation from the Company, earning in excess of \$227,000 in 2022. Accordingly, Defendant Wellings could not reasonably and objectively consider a demand to sue nor vigorously prosecute those who set and approve his continued lucrative compensation, including himself.

123. Defendant Wellings is neither independent nor disinterested. Any demand upon Defendant Wellings is futile and, thus, excused.

Additional Reasons Demand is Futile

124. In violation of the Code of Conduct, the Current Director Defendants conducted little, if any, oversight of the Company’s engagement in the Individual Defendants’ scheme to cause the Company to issue materially false and misleading statements to the public and to facilitate and disguise the Individual Defendants’ violations of law, including breaches of fiduciary duty, gross mismanagement, waste of corporate assets, and unjust enrichment. In violation of the Code of Conduct, the Current Director Defendants failed to comply with laws and regulations, failed to maintain the accuracy of company records, public reports, and communications, and failed to uphold the responsibilities related thereto. Thus, the Current Director Defendants face a substantial likelihood of liability and demand is futile as to them.

125. The Company has been and will continue to be exposed to significant losses due to the wrongdoing complained of herein, yet the Board has not caused the Company to take action to recover for the Company the damages it has suffered and will continue to suffer thereby.

126. The Individual Defendants’ conduct described herein and summarized above could

not have been the product of legitimate business judgment as it was based on bad faith and intentional, reckless, or disloyal misconduct. Thus, none of the Current Director Defendants can claim exculpation from their violations of duty pursuant to the Company's charter (to the extent such a provision exists). As a majority of the Current Director Defendants face a substantial likelihood of liability, they are self-interested in the transactions challenged herein and cannot be presumed to be capable of exercising independent and disinterested judgment about whether to pursue this action on behalf of the shareholders of the Company. Accordingly, demand is excused as being futile.

127. The acts complained of herein constitute violations of fiduciary duties owed by the Company's officers and directors, and these acts are incapable of ratification.

128. Moreover, publicly traded companies, such as Li-Cycle, typically carry director and officer liability insurance from which the Company could potentially recover some or all of its losses. However, such insurance typically contains an "insured vs. insured" disclaimer that will foreclose a recovery from the insurers if the Individual Defendants sue each other to recover the Company's damages. If no such insurance is carried, then the Current Director Defendants will not cause the Company to sue the Individual Defendants named herein, since, if they did, they would face a large uninsured individual liability. Accordingly, demand is futile in that event.

129. The Company, at all material times, had its Code of Conduct and related corporate governance policies which required each of the Current Director Defendants to maintain the highest standards of honesty and integrity, particularly in relation to accurate and truthful public disclosures. Yet, despite this Code of Conduct, and other relevant policies and committee charters, each of the Current Director Defendants failed to ensure that the Company upheld high standards of integrity, misrepresented facts to the investing public, and failed to report any concerns, or

investigate any misconduct, let alone commence litigation against the directors.

130. Accordingly, each of the Current Director Defendants, and at least five (5) of them, cannot reasonably consider a demand with the requisite disinterestedness and independence. Indeed, any demand upon the Current Director Defendants is futile and, thus, excused.

CLAIMS FOR RELIEF

COUNT I

(Against the Individual Defendants for Breach of Fiduciary Duty)

131. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

132. The Individual Defendants owed the Company fiduciary obligations. By reason of their fiduciary relationships, the Individual Defendants owed the Company the highest obligation of good faith, fair dealing, loyalty, and due care.

133. The Individual Defendants violated and breached their fiduciary duties of care, loyalty, reasonable inquiry, and good faith.

134. The Individual Defendants engaged in a sustained and systematic failure to properly exercise their fiduciary duties. Among other things, the Individual Defendants breached their fiduciary duties of loyalty and good faith. These actions could not have been a good faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

135. As a direct and proximate result of the Individual Defendants' failure to perform their fiduciary obligations, the Company has sustained significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

136. As a direct and proximate result of the Individual Defendants' breach of their fiduciary duties, the Company has suffered damage, not only monetarily, but also to its corporate

image and goodwill. Such damage includes, among other things, costs associated with defending and/or settling securities lawsuits and governmental investigations, severe damage to the share price of the Company's stock, resulting in an increased cost of capital, and reputational harm.

COUNT II

(Against the Individual Defendants for Waste of Corporate Assets)

137. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

138. The wrongful conduct alleged regarding the issuance of false and misleading statements was continuous, connected, and on-going throughout the Relevant Period. It resulted in continuous, connected, and ongoing harm to the Company.

139. As a result of the misconduct described above, the Individual Defendants wasted corporate assets by, *inter alia*: (a) paying excessive compensation, bonuses, and termination payments to certain of its executive officers, as detailed, *supra*; (b) awarding self-interested stock options to certain officers and directors; and (c) incurring potentially millions of dollars of legal liability and/or legal costs to defend and/or settle the Securities Class Action, addressing the Individual Defendants' unlawful action.

140. As a result of the waste of corporate assets, the Individual Defendants are liable to the Company.

COUNT III

(Against the Individual Defendants for Unjust Enrichment)

141. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

142. As a result of their wrongful conduct, violations of law, and false and misleading

statements, the Individual Defendants were unjustly enriched at the expense of, and to the detriment of, the Company.

143. The Individual Defendants, by virtue of their positions as directors and officers of the Company, received financial compensation, stock awards, and other benefits, as detailed *supra*, which was unjust in light of the Individual Defendant's bad faith conduct and is thus against equity and good conscience to permit the Individual Defendants to retain.

144. Plaintiff, as a shareholder and representative of Li-Cycle, seeks restitution from the Individual Defendants and seeks an order from this Court disgorging all profits, including from benefits, insider trading, and other compensation, including any performance-based or valuation-based compensation, obtained by the Individual Defendants due to their wrongful conduct and breach of their fiduciary duties.

COUNT IV

(Against the Individual Defendants for Gross Mismanagement)

145. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

146. By their actions alleged herein, the Individual Defendants, either directly or through aiding and abetting, abandoned and abdicated their responsibilities and fiduciary duties with regard to prudently managing the assets and business of Li-Cycle in a manner consistent with the operations of a publicly-held corporation.

147. As a direct and proximate result of the Individual Defendants' gross mismanagement and breaches of fiduciary duty alleged herein, Li-Cycle has sustained and will continue to sustain significant damages.

148. As a result of the misconduct and breaches of duty alleged herein, the Individual

Defendants are liable to the Company.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(A) Declaring that Plaintiff may maintain this action on behalf of the Company and that Plaintiff is an adequate representative of the Company;

(B) Finding the Individual Defendants liable for breaching their fiduciary duties owed to the Company, waste of corporate assets, unjust enrichment, and gross mismanagement;

(C) Directing the Individual Defendants to take all necessary actions to reform and improve the Company's corporate governance, risk management, and internal operating procedures to comply with applicable laws and to protect the Company and its stockholders from a repeat of the rampant wrongful conduct described herein;

(D) Awarding damages to the Company for the harm the Company suffered as a result of the Defendants' wrongful conduct;

(E) Awarding Plaintiff the costs and disbursements of this action, including attorneys', accountants', and experts' fees; and

(F) Awarding such other and further relief as is just and equitable.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury on all issues so triable.

Dated: December 4, 2023

GAINEY McKENNA & EGLESTON

By: /s/ Gregory M. Egleston

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Attorneys for Plaintiff

VERIFICATION

I, CARLOS NIEVES, declare that I have reviewed the Verified Shareholder Derivative Complaint ("Complaint") prepared on behalf of Li-Cycle Holdings Corp. and authorize its filing. I have reviewed the allegations made in the Complaint, and to those allegations of which I have personal knowledge, I believe those allegations to be true. As to those allegations of which I do not have personal knowledge, I rely on my counsel and their investigation and for that reason believe them to be true. I further declare that I am a current holder, and have been a holder, of LiCycle Holdings Corp. common stock at all relevant times.

Carlos Nieves

12/04/2023

CARLOS NIEVES