

UNDERTAKING

TO: The Ontario Securities Commission (the "OSC")

FROM: Neo Performance Materials Inc. (the "Corporation")

RE: Initial Public Offering of Common Shares of the Corporation by way of prospectus filing (the "Prospectus")

WHEREAS the Corporation currently has majority equity interests in the following entities existing pursuant to the laws of the People's Republic of China: (i) Zibo Jiahua Advanced Material Resources Co., Ltd. ("ZAMR"); (ii) Jiangyin Jiahua Advanced Material Resources Co., Ltd. ("JAMR"); (iii) Magnequench (Tianjin) Company Limited ("MQTJ"); and (iv) Magnequench International Trading (Tianjin) Co., Ltd. ("MQTJ2", and together with JAMR, ZAMR and MQTJ, the "PRC Subsidiaries");

AND WHEREAS it is a requirement of the Ontario Securities Commission that the Legal Representative Chop and the Company Chop for each of the PRC Subsidiaries (collectively, the "Chops") be held in a custodial arrangement as a prerequisite to receipting the final Prospectus;

THE UNDERSIGNED hereby undertakes and confirms that for so long as reasonably required by the OSC:

- (a) it shall retain internationally reputable custodian(s) with the responsibility for the safekeeping of the Chops on substantially the same terms and conditions as disclosed in the Prospectus;
- (b) Upon termination of any custodian arrangement or removal or replacement of the custodian, the undersigned further undertakes and agrees to forthwith issue a press release and file a material change report in accordance with applicable securities laws;
- (c) include a description of the custodial arrangements in the Corporation's AIF and whether that arrangement has changed from the arrangement described in the final prospectus filed on the date hereof; and
- (d) should a legal representative or supervisor of a PRC Subsidiary resign or is replaced, use its best efforts to obtain an undated, executed and chopped termination letter from the new legal representative or supervisors, as the case may be, which is to be kept at the Corporation's head or registered office.

DATED this 30th day of November, 2017.

NEO PERFORMANCE MATERIALS INC.

Per: /s/ "Geoff Bedford"
Name: Geoff Bedford
Title: President and Chief Executive Officer