

CONFIDENTIALITY AND STANDSTILL AGREEMENT

This confidentiality and standstill agreement is dated _____, 2012 between:

TIMMINCO LIMITED, a corporation incorporated pursuant to the laws of Canada and Becancour Silicon Inc., a corporation incorporated pursuant to the laws of Quebec (together, the "**Corporation**");

- and -

_____, a corporation existing under the laws of _____, and its affiliates (collectively, the "**Reviewer**").

WHEREAS the Corporation intends to disclose information to the Reviewer for purposes of evaluating certain proposed or potential business transactions;

AND WHEREAS the Reviewer has agreed to keep the information confidential in accordance with the terms of this Agreement;

AND WHEREAS the Reviewer has agreed, among other things, not to solicit employees of the Corporation or trade in securities of the Corporation except as set forth herein;

NOW THEREFORE in consideration of the foregoing and the mutual agreements contained in this Agreement (the receipt and adequacy of which are acknowledged), the Parties agree as set forth below.

1. **Defined Terms.**

As used in this Agreement, the following terms have the meanings set forth below.

"**Agreement**" means this confidentiality and standstill agreement, including any schedules here to, as amended, modified, extended, renewed, restated, replaced, or supplemented from time to time.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**control**" has the meaning specified in National Instrument 45-106 - *Prospectus and Registration Exemptions* on the date of this Agreement.

"**Confidential Information**" has the meaning specified in Section 3(b).

"**Law**" means any applicable law, statute, code, constitution, treaty, ordinance, order, decree, directive, rule, published policy, regulation or decision of any competent judicial, legislative, administrative, ministerial, departmental or regulatory body or authority or by the rules, policies or other requirements of any relevant stock exchange.

"**Monitor**" means FTI Consulting Canada Inc. in its capacity as Monitor of the Corporation and not in its personal capacity.

"**Notice**" has the meaning specified in Section 9.

"Parties" means the Corporation and the Reviewer and any other Person who may become a party to this Agreement. Reference to a Party includes such Party's Representatives and **"affiliates"** (as defined in Ontario Securities Commission Rule 45-501-*Ontario Prospectus and Registration Exemptions*).

"Person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability corporation, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or a governmental or other regulatory entity, and pronouns have a similarly extended meaning.

"Representative" of a Party, means any director, officer, employee, agent, trustee, general partner or advisor of that Party, including, accountants, counsel, lenders, consultants and financial advisors.

"Transaction" means a transaction or series of transactions involving the Corporation and the Reviewer relating to the purchase, sale or any other acquisition, direct or indirect, of any of the business, assets, property and undertaking of the Corporation.

"Work Papers" means all notes, analyses, compilations, forecasts, data, studies, interpretations, or other documents prepared by, on behalf of or for the benefit of, the Reviewer that contain, reflect, summarize, analyze, discuss or review any Confidential Information.

2. Interpretation.

In this Agreement, the words "including", "includes" and "include" mean "including (or includes or include) without limitation". The expression "Section" or other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. Words importing the singular number only include the plural and *vice versa*.

3. Non-Disclosure of Confidential Information.

- (a) The Reviewer will keep strictly confidential all Confidential Information and Work Papers, will use such Confidential Information and Work Papers solely to evaluate and negotiate the Transaction and not directly or indirectly for any other purpose and will not disclose or use such Confidential Information or Work Papers in any manner whatsoever, in whole or in part, except as permitted by this Agreement.
- (b) **"Confidential Information"** means all information relating to the Corporation's and any affiliates' business, operations, assets, liabilities, plans, prospects and affairs, or to a Transaction, which has been or is disclosed to or acquired by the Reviewer regardless of whether such information is in oral, visual, electronic, written or other form and whether or not it is identified as "confidential". Confidential Information includes all engineering reports, trade secrets, know-how, technology, inventions, algorithms, prototypes, designs, drawing and sketches; information on joint venture partners, agents, clients, customers, consumers, suppliers, distributors, consultants, financial advisors and dealers; employee and compensation information and records; pricing information, costs and budgets; contracts; research and development activities; computer data, files, tapes, disks, programs (including source codes and object codes) and the information contained therein; sales or marketing techniques or plans; operations and service manuals; business, statistical and technical data, reports, records and files; procedures, processes, proposals and plans; formulae, accounting or financial information, analysis, reports and projections; business and legal information, opinions and communications, mail, notes, correspondence, discussions and memoranda.

- (c) The restrictions set out in Section 3(a) do not apply to Confidential Information or any part of it that the Reviewer can demonstrate:
 - (i) is or becomes generally available to the public other than as a result of disclosure directly or indirectly by the Reviewer;
 - (ii) is or becomes available to the Reviewer on a non-confidential basis from a source other than the Corporation unless the Reviewer knows that such source is prohibited from disclosing the information to the Reviewer by a contractual, fiduciary or other legal obligation to the Corporation;
 - (iii) is or was independently acquired or developed by the Reviewer without violating its obligations under this Agreement or any other obligation of confidentiality it may have to the Corporation;
 - (iv) is required to be disclosed by Law, unless such Law permits the Reviewer to refrain from making such disclosure for confidentiality or other reasons, as further provided for in Section 3(j) herein;
 - (v) is publicly disclosed as part of a judicial process with respect to obtaining court approval of the Transaction or any agreements or documents entered into or prepared in connection with the Transaction; or
 - (vi) is expressly permitted to be disclosed by the Corporation in writing.
- (d) Subject to the exceptions set out in Section 3(c)(i) through (vi), neither the Reviewer nor the Corporation nor the Monitor shall disclose to any Person the fact that the Confidential Information and/or Work Papers have been made available to the Reviewer, this Agreement has been entered into, discussions or negotiations are taking place or have taken place concerning a possible Transaction with the Reviewer or any of the terms, conditions or other facts with respect to the foregoing, including the status thereof, except as permitted by this Agreement.
- (e) The Reviewer may disclose Confidential Information and its Work Papers to its Representatives but only to the extent that such Representatives need to know the Confidential Information or Work Papers for the purposes of evaluating or negotiating the Transaction, have been informed of the confidential nature of the Confidential Information and Work Papers, are directed by the Reviewer to hold the Confidential Information and Work Papers in the strictest confidence, and agree to be bound by and act in accordance with the terms and conditions of this Agreement. The Reviewer shall cause its Representatives to observe the terms of this Agreement and is responsible for any breach by its Representatives of any of the confidentiality provisions of this Agreement.
- (f) The Reviewer acknowledges that it and its Representatives may be bound by applicable privacy legislation with respect to any “personal information” (as such term is defined in the *Personal Information Protection Act*) disclosed under this Agreement.
- (g) The Reviewer acknowledges and will advise its Representatives that Canadian securities laws may prohibit any Person who has material, non-public information concerning a reporting issuer, such as the Corporation, from purchasing or selling securities of the reporting issuer or from communicating such information to any other Person.

- (h) The Reviewer is responsible for any breach by its Representatives of any of the provisions of this Agreement whether or not they have agreed in writing to be bound by such provisions. The Reviewer will, at its sole expense, take all reasonable measures to ensure that its Representatives do not breach any of the provisions of this Agreement.
- (i) The disclosure restrictions contained in this Agreement do not apply to disclosure that is required by Law, unless such Law permits the Reviewer to refrain from making such disclosure for confidentiality or other reasons, or that the Corporation gives the Reviewer prior written consent to disclose. If the Reviewer is required to make disclosure pursuant to Law it will, after consultation with the Corporation:
 - (i) give the Corporation immediate Notice of the requirement and the proposed content of any disclosure;
 - (ii) co-operate with the Corporation in limiting the extent of the disclosure and in obtaining an appropriate protective order or to use commercially reasonable efforts to pursue such legal action, remedy or assurance as the Corporation, at its sole cost, deems reasonably necessary to preserve the confidentiality of the Confidential Information; and
 - (iii) if a protective order or other remedy is not obtained or the Corporation fails to waive compliance with the provisions of this Agreement, disclose only that portion of the Confidential Information and its Work Papers that it is, in the opinion of its counsel, legally compelled to disclose.

4. Handling and Return of Confidential Information.

- (a) The Reviewer shall make the same efforts to safeguard the Confidential Information and Work Papers as it makes to safeguard its own confidential and proprietary business information, or all commercially reasonable efforts to safeguard the Confidential Information and Work Papers if such efforts would impose on it a higher standard of care. The Reviewer will keep a written record of the subject and location of all Confidential Information disclosed to it and a list of Representatives to whom Confidential Information has been disclosed and will provide a copy of the record and list immediately to the Corporation upon request.
- (b) Confidential Information may be copied only for review by the Reviewer and the Reviewer's Representatives. The Reviewer may not remove any proprietary, copyright, trade secret or other legend from any of the Confidential Information.
- (c) Each Party will give the other Party immediate Notice of any determination not to proceed with the Transaction. If such Notice is given the Reviewer will and will cause its Representatives to, within five Business Days of the Notice:
 - (i) return to the Corporation or, at the option of the Corporation, destroy all Confidential Information without retaining any copies;
 - (ii) destroy all copies of Work Papers in its possession; and
 - (iii) certify to the Corporation in writing that this Section 4(c) has been complied with by the Reviewer.

Notwithstanding the return or destruction of Confidential Information and Work Papers, the Reviewer and its Representatives will continue to be bound by their obligations of confidentiality and other obligations hereunder.

5. No Representation or Warranty.

- (a) The Corporation makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information provided by it or with respect to the infringement of patents, trade-marks, copyrights, or other intellectual property rights respecting such Confidential Information, or of the rights of any other Person.
- (b) The Corporation is not liable to the Reviewer or to any other Person for any losses, liabilities, damages, claims, demands, fines, penalties or expenses resulting from, connected with or arising out of the Reviewer's use of the Confidential Information. This Agreement does not benefit or create any right or cause of action in, or in favour of, any Person other than the Parties. Only the Parties are entitled to rely on its provisions in any action, suit, proceeding, hearing or other forum.

6. Remedies.

- (a) In the event of a breach of a Party's obligations under this Agreement, that Party must, immediately following discovery of the breach, give Notice to the other Party of the nature of the breach. The breaching Party must, upon consultation with the other Party, take all necessary steps to limit the extent of the breach.
- (b) Disclosure or use of Confidential Information or Work Papers contrary to this Agreement, or any other failure to comply with the terms and conditions of this Agreement, may give rise to irreparable injury to the Corporation that may be inadequately compensable in damages. The Corporation may, in addition to any other remedy available at law or in equity, seek to enforce the performance of this Agreement by way of injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages (and without the requirement of posting a bond or other security) and notwithstanding that damages may be readily quantifiable, the Reviewer agrees not to plead sufficiency of damages as a defence in any such proceedings.
- (c) The rights and remedies provided in this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity. All such rights and remedies may be exercised from time to time, and as often and in such order as the applicable Party deems expedient.

7. Non-Solicitation; Standstill

- (a) From the date of this Agreement to the earlier of (1) the date of execution of a definitive agreement in respect of a Transaction and (2) the second (2nd) anniversary of this Agreement, the Reviewer will not, directly or indirectly, alone, jointly or in concert with any other Person (including by providing financing to any other Person), without the express prior written consent of the Corporation, which consent will be subject to and upon the terms determined under the sole discretion of the board of directors of the Corporation, use the Confidential Information, or take any action based upon the Confidential Information, to:
 - (i) interfere in any way with any contractual or other business of the Corporation;

- (ii) solicit for hire or employ, directly or indirectly, any officer, director or employee of the Corporation who is or was an officer, director or employee of the Corporation during the term of this Agreement, other than through general solicitations by newspaper or similar advertisement or via an executive search firm that was not encouraged or instructed by such Party to undertake such solicitation;
 - (iii) initiate or maintain contact (other than contact made in the ordinary course of business) with any Representative of the Corporation regarding the business, operations, assets, liabilities, prospects or finances of the Corporation;
 - (iv) propose, offer, negotiate or agree to: (1) purchase, transfer or otherwise acquire any securities of the Corporation; (2) acquire a material portion of the assets or property of the Corporation; (3) enter into any merger, arrangement, amalgamation or other business combination involving the Corporation; or (4) participate in any recapitalization, restructuring, liquidation, dissolution, or other extraordinary transaction with respect to the Corporation of any of its affiliates;
 - (v) "solicit", or participate with any Person in the "solicitation" of any "proxies" (as such terms are defined in the *Securities Act* (Ontario)) in order to vote, advise or influence any Person with respect to the voting of any securities of the Corporation;
 - (vi) otherwise attempt to control or to influence the management or board of directors of the Corporation;
 - (vii) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with any of the foregoing, except as required by Law; or
 - (viii) advise, assist or encourage any other Person in connection with any of the foregoing.
- (b) Section 7(a) does not prohibit:
- (i) the consummation of a Transaction between the Parties;
 - (ii) the Reviewer from engaging in discussions with financial institutions concerning financing with respect to a Transaction, provided that such discussions are otherwise conducted in accordance with this Agreement;
 - (iii) the negotiation and discussion of the Transaction with the Monitor; or
 - (iv) the Reviewer from making a confidential proposal to the Corporation's board of directors.

8. Other Covenants and Agreements.

- (a) Certain of the Confidential Information and Work Papers may be, and are intended to remain, subject to all applicable privileges, including solicitor-client privilege, anticipation of litigation privilege, work product privilege and privilege in respect of "without prejudice" communications. No waiver of any privilege is implied by the disclosure of Confidential Information or Work Papers to any Person pursuant to the terms of this Agreement.
- (b) To the extent that the Corporation owns any Confidential Information or Work Papers, they will remain the exclusive property of the Corporation. Nothing in this Agreement or in the

disclosure of any Confidential Information confers any interest in the Confidential Information on the Reviewer. Nothing in this Agreement nor the disclosure of Confidential Information to the Reviewer creates any agency, partnership, joint venture, representative or employment relationship between the Parties. Neither Party will have any legal obligation with respect to any Transaction by virtue of this Agreement other than for the matters agreed to in this Agreement.

- (c) Except as provided in Section 7, the obligations of the Parties under this Agreement continue and are binding for a period of two years from the date of this Agreement. The terms and conditions of any definitive agreements between the Parties in respect of a Transaction will supersede the terms of this Agreement to the extent they are inconsistent with this Agreement. For the purposes of this Agreement, the term “definitive agreement” does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral acceptance of an offer of a bid. The Corporation reserves the right, in its sole discretion, to reject any and all proposals made by the Reviewer regarding the Transaction and to terminate negotiations and discussions with the Reviewer at any time.

9. Miscellaneous.

- (a) Any notice, consent, direction or other communication (each a “**Notice**”) given regarding the matters contemplated by this Agreement must be express and in writing, sent by personal delivery, courier, facsimile, or electronic mail, and addressed:

- (i) the Corporation at:

Timminco Limited
150 King Street West, Suite 2401
Toronto, Ontario M5H 1J9

Attention: General Counsel and Corporate Secretary
Facsimile: (416) 364-3451
Email: pkalins@timminco.com

with a copy (which shall not constitute Notice) to:

Stikeman Elliot LLP
5300 Commerce Court West, 199 Bay Street
Toronto, Canada
M5L 1B9

Attention: Ashley John Taylor
Facsimile: (416) 947-0866
Email: ataylor@stikeman.com

- (ii) to the Reviewer at:

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Attention: ●
Facsimile: ●
Email: ●

with a copy (which shall not constitute Notice) to:

● [Reviewer's Counsel]

Attention: ●
Facsimile: ●
Email: ●

Any Notice or other communication, if given by personal delivery, will be deemed to have been given on the day of actual delivery thereof and, if transmitted by fax or e-mail before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by fax or e-mail after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be deemed not to be changed. The failure to send a copy of a Notice to counsel in accordance with the foregoing shall not invalidate any Notice given to a Party in accordance with this Section.

- (b) Time is of the essence in this Agreement.
- (c) Except as otherwise expressly provided in this Agreement, each Party will pay for its own fees, costs and expenses incurred in connection with this Agreement. The fees, costs and expenses referred to in this Section 9(c) are those that are incurred in connection with the negotiation, preparation, execution and performance of this Agreement, including the fees, costs and expenses of counsel, financial advisors, bankers, lenders and accountants.
- (d) No waiver of any provision of this Agreement constitutes a waiver of any other provision (whether or not similar). No waiver is binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement is not a waiver of that right. A single or partial exercise of any right does not preclude a Party from any other or further exercise of that right or the exercise of any other right it may have.
- (e) This Agreement constitutes the entire agreement between the Parties relating to its subject matter and supersedes all prior agreements, understandings, negotiations and discussions, between the Parties, whether oral or written.
- (f) This Agreement may only be amended, supplemented, or otherwise modified by express written agreement signed by the Parties.
- (g) This Agreement becomes effective only when executed by all of the Parties. After that time, it is binding on and enures to the benefit of the Parties and their respective successors and permitted assigns.
- (h) Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the express prior written consent of the other Party.
- (i) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that

provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

- (j) This Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province. Each Party irrevocably attorns and submits to the jurisdiction of the Ontario courts situated in Toronto, and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.
- (k) This Agreement may be executed in any number of counterparts and all counterparts taken together constitute one and the same instrument. Receipt of an originally executed counterpart signature page by facsimile or an electronic reproduction of an originally executed counterpart signature page by electronic mail is effective execution and delivery of this Agreement. Any Party sending a counterpart by facsimile or electronic mail will also deliver the original signed counterpart to the other Party; however, failure to do so will not invalidate this Agreement.

[Remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF the Parties have executed this Agreement.

**TIMMINCO LIMITED AND
BÉCANCOUR SILICON INC.**

By: _____
Authorized Signing Officer

●

By: _____
Authorized Signing Officer