



**AUDIT COMMITTEE CHARTER
OF
MP MATERIALS CORP.
(the “Company”)**

As adopted by the Board of Directors, effective November 17, 2020

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to assist the Board in its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the qualifications and independence of the Company’s external auditor (the “Independent Auditor”), and (iv) the performance of the Company’s internal auditing department (“Internal Audit”) and the Independent Auditor. The Committee shall also prepare the report of the Committee required to be included in the Company’s annual report or proxy statement relating to the election of directors.

The Board recognizes that while the Committee has been given certain duties and responsibilities pursuant to this Charter, the Committee is not responsible for guaranteeing the accuracy of the Company’s financial statements or the quality of the Company’s accounting and financial reporting processes. The fundamental responsibility for the Company’s financial statements and disclosures rests with management and the Independent Auditor.

Composition of the Committee

The Committee shall be comprised of three or more directors, each of whom (i) meets the independence requirements of the New York Stock Exchange (the “NYSE”) and the Company’s corporate governance guidelines and (ii) otherwise satisfies the applicable requirements for audit committee service imposed by the Securities Exchange Act of 1934, as amended (together with the rules and regulations promulgated thereunder, the “Exchange Act”), and the NYSE.

At least one member of the Committee shall be an “audit committee financial expert” in accordance with the rules of the Securities and Exchange Commission. The designation or determination by the Board of a person as an audit committee financial expert will not impose on such person individually, on the Committee, or on the Board as a whole, any greater duties, obligations or liability than would exist in the absence of such designation or determination. All other Committee members shall be financially literate, as required by the NYSE. To effectively perform his or her role, each Committee member will obtain an understanding of the detailed responsibilities of Committee membership as well as the Company’s business, operations and risks.

Any action duly taken by the Committee during a period in which one or more of the members subsequently is determined to have failed to meet the membership qualifications described herein shall nevertheless constitute duly authorized action of the Committee and shall be valid and effective for all purposes, except to the extent required by law or determined appropriate by the Committee to satisfy regulatory standards.

Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to serve effectively on the Committee. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

Committee members (i) shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee, (ii) shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal, and (iii) may be removed by the Board in its discretion.

Meetings

The Committee shall meet with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities, but in any case, not less than four times a year. The Board shall designate one member of the Committee to serve as its chairperson. The chairperson will preside, when present, at all meetings of the Committee and is responsible for setting the agendas for Committee meetings. The Committee will meet at such times as determined by its chairperson or as requested by any two of its members. Notice of all Committee meetings shall be given, and waiver thereof determined, in accordance with the notice and waiver of notice requirements applicable to the Board. The Committee may meet by telephone, video conference or similar means of remote communication.

Each member of the Committee shall have one vote. A majority of the Committee members shall constitute a quorum. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members at any meeting at which a quorum is present, or by the unanimous written consent of all of the Committee members.

The Committee shall maintain copies of minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee. A copy of the minutes of each meeting and all consents shall be placed in the Company's minute book.

Delegation

The Committee may form and delegate authority to subcommittees consisting of one or more Committee members when it deems appropriate, including the authority to grant pre-approvals of audit and permitted non-audit and tax services, provided that decisions of such subcommittee to grant pre-approvals and take any other actions shall be presented to the full Committee at its next scheduled meeting.

Authority

The Committee shall have the sole authority to obtain, at the Company's expense and at funding levels determined by the Committee, advice and assistance from outside legal, accounting or other advisors to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company and to require any officer or employee of the Company or the Company's outside counsel or Independent Auditor to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for any expense related to any external advisors in addition to any costs or expenses related to the ordinary administrative expenses of the Committee that are necessary or appropriate for carrying out its duties.

In connection with the performance of its duties under this Charter, the Committee shall also have full access to any of the Company's management and employees it deems appropriate and shall have access to any necessary Company books and records. Any meeting or contact that the Committee wishes to initiate with any employee or access to company books or records must be arranged through the CEO or General Counsel of the Company.

Duties and Responsibilities

In furtherance of its purpose, the Committee shall:

1. Be directly responsible for the appointment, compensation, retention, oversight of the work of, and termination of the Independent Auditor and any other independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Committee shall also be responsible for the resolution of disagreements between management and the Independent Auditor and any such other firm regarding accounting and financial reporting. The Independent Auditor and any such other firm shall report directly to the Committee.
2. Meet to review and discuss the annual audited financial statements and quarterly financial statements with management and the Independent Auditor, including the disclosures under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall make a recommendation to the Board as to whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
3. Review and discuss with management and the Independent Auditor the Company's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-generally accepted accounting principles ("GAAP") information and measures), as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (e.g., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.

4. Review reports to management prepared by the Independent Auditor or Internal Audit and any responses to the same by management.
5. Pre-approve all audit and permitted non-audit and tax services to be provided to the Company by the Independent Auditor, subject to the de minimis exceptions for non-audit services that are approved by the Committee prior to the completion of the audit. The Committee may delegate to one or more of its members the authority to grant such pre-approvals, provided that any decisions of such member or members to grant pre-approvals must be presented to the full Committee at its next scheduled meeting.
6. Obtain and review, at least annually, a report by the Independent Auditor describing: (i) the Independent Auditor's internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review, or peer review, of the Independent Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, (iii) any steps taken to deal with any such issues; (iv) all relationships between the Independent Auditor and the Company; and (v) any other information pertaining to the independence of the Independent Auditor. Discuss with the Independent Auditor any issues or relationships disclosed in such report that, in the judgment of the Committee, may have an impact on the competence or independence of the Independent Auditor.
7. Obtain and review annually, prior to the completion of the Independent Auditor's annual audit of the Company's year-end financial statements (the "Annual Audit"), a report from the Independent Auditor, describing (i) all critical accounting policies and practices to be reflected in the Annual Audit, (ii) all alternative treatments of financial information within GAAP for policies and procedures related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor, and (iii) other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences. Review any reports on such topics or similar topics prepared by management. Discuss with the Independent Auditor any material issues raised in such reports.
8. Review and evaluate the lead audit partner of the Independent Auditor (taking into account the opinions of management and Internal Audit) and assure the regular rotation of the lead audit partner, the concurring partner and other audit partners engaged in the Annual Audit, to the extent required by law.
9. Review the Company's financial reporting processes and internal controls, based on consultation with the Independent Auditor and Internal Audit. Such review shall include a consideration of major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of identified deficiencies. Review any analyses prepared by management and/or the Independent Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the

financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

10. Discuss with the Independent Auditor the Independent Auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting.
11. Review and assess the annual internal audit plan, the process used to develop the plan and the status of activities, significant findings, recommendations and management's response. Monitor ongoing Internal Audit activities by reviewing and discussing with management reports and other communications prepared by Internal Audit.
12. Oversee Internal Audit's structure, objectivity, responsibilities, staffing, resources and budget. Discuss with the Independent Auditor the Independent Auditor's judgment about the competence, performance and cooperation of Internal Audit and management, and Internal Audit's responsibilities, budget and staffing. Recommend for Board approval the appointment and, if appropriate, replacement of the head of Internal Audit, and the Internal Audit budgets.
13. Discuss with Internal Audit and management their views as to the competence, performance and independence of the Independent Auditor.
14. Review with the Independent Auditor any audit problems or difficulties and management's response thereto. Such review shall include a review of any difficulties the Independent Auditor encountered in the course of the audit work, including any restrictions on the scope of the Independent Auditor's activities or on access to requested information, and any significant disagreements with management.
15. Review with the Independent Auditor, Internal Audit and management the extent to which any previously approved changes or improvements in financial or accounting practices and internal controls have been implemented.
16. Review and approve any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) in accordance with the Company's Related Person Transaction Policy.
17. Review annually the effect of legal, regulatory and accounting initiatives on the Company's financial statements.
18. Confirm that the Independent Auditor has not detected or otherwise become aware of information indicating that an illegal act (whether or not perceived to have a material effect on the financial statements of the Company) has or may have occurred.
19. Review annually the effect of off-balance sheet arrangements, if any, on the Company's financial statements.

20. Review and discuss with the Independent Auditor any critical audit matter (“CAM”) addressed in the audit of the Company’s financial statements and the relevant financial statement accounts and disclosures that relate to each CAM.
21. Review and discuss with the Independent Auditor the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the Securities and Exchange Commission.
22. Annually review the Company’s insurance coverage, including directors’ and officers’ liability insurance coverage.
23. Discuss policies with respect to risk assessment and risk management, the Company’s major litigation and financial risk exposures and the steps management has taken to monitor and control such exposures, it being understood that it is the job of management to assess and manage the Company’s exposure to risk and that the Committee’s responsibility is to discuss guidelines and policies by which risk assessment and management are undertaken.
24. Set clear hiring policies for employees or former employees of the Independent Auditor and oversee the hiring of any personnel from the Independent Auditor into positions within the Company in accordance with the hiring restrictions of the Sarbanes-Oxley Act of 2002.
25. Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Review periodically with management and Internal Audit these procedures and any significant complaints received.
26. Meet separately, periodically, with management, with Internal Audit (or other Company personnel responsible for the internal audit function) and with the Independent Auditor.
27. Review periodically with the Company’s chief legal officer, or appropriate delegates, the Company’s compliance with legal and regulatory requirements.
28. Prepare the report of the Committee required to be included in the Company’s annual report or proxy statement.
29. Report regularly to the Board, both with respect to the activities of the Committee generally and with respect to any issues that arise regarding the quality or integrity of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements, the performance and independence of the Independent Auditor or the performance of Internal Audit.
30. Conduct an annual performance evaluation of the Committee and its members, including a review of adherence to this Charter.
31. Review the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.

32. Conduct or authorize investigations into any matter, including, but not limited to, complaints relating to accounting, internal accounting controls or auditing matters, within the scope of the duties and responsibilities delegated to the Committee, as it deems appropriate.
33. Review the Company's information technology ("IT") security controls with a member of the senior management team. Evaluate the adequacy of the Company's IT security program, compliance and controls with a member of the senior management team.
34. Perform such other duties and responsibilities, consistent with this Charter, the Company's bylaws, governing law, the rules and regulations of the NYSE, the federal securities laws and such other requirements applicable to the Company, as may be delegated to the Committee by the Board from time to time.