



INTERNAL RULES AND REGULATIONS OF THE BOARD OF DIRECTORS

Recylex S.A.

Updated of the decisions of the board of Directors of March 28th, 2019

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This is a non-official translation into English of the Règlement Intérieur du Conseil d'administration de Recylex S.A. issued in French language and is provided solely for the convenience of English-speaking users. This document should be read in conjunction with, and construed in accordance with, French law.

The purpose of these internal rules and regulations is to define or clarify certain rules of operation of the Board of Directors of RECYLEX S.A., hereinafter referred to as the "Company", in complement to the applicable legal provisions and the provisions of the Company's articles of association.

1. COMPOSITION – PRINCIPLES

The Board of Directors shall be made up of directors appointed in accordance with the legal provisions, and the provisions of the Company's articles of association.

1.1 Composition

The Board of Directors is made up of a certain number of independent directors, the proportion of independent directors being determined and reviewed each year by the Board of Directors, on recommendations from the Remuneration and Nomination Committee

An assessment of the independence quality of each member of the Board of Directors, which is characterized by no significant financial, contractual or family relationship that might impair the director's independent judgement, is reviewed each year by the Board of Directors, on recommendations from the Remuneration and Nomination Committee, according to the following criteria, which may be amended by the Board:

- not to have been, within the last five years, and not to be an employee or corporate officer of the Company or a company in its group;
- not have been, within the last two years, and not have a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);

- not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- not have a close relationship or close family relationship with a corporate officer or a reference shareholder;
- not to have been, during the last six years, the Company's auditor.

The Board may consider that a director who does not meet the above criteria is nevertheless independent and vice-versa, but must provide the reasons for so doing.

1.2 Principles applicable to the members of the Board of directors

- Before agreeing to his/her/its functions, the director must make sure that he/she/it is aware of the general or special obligations, with respect to which he/she is responsible. In particular, he/she/it must read the legal or regulatory texts, the Company's articles of association, these internal rules and regulations and any additions thereto by each Board meeting.
- Each director must hold the minimum number of shares as provided in the articles of association of the Company. An executive director must, beyond the sole requirements of the articles of association, possess a relatively large number of shares.
- Although being a shareholder himself/herself/itself, the director shall represent all the shareholders, and must, in all circumstances, act in the interests of the Company.
- In the event of a conflict of interests arising after its appointment as director, the director shall be obliged to notify the Board of any situation of a conflict of interests, even potential in nature, to abstain from voting or taking part in the discussion, and as necessary to resign. No disclosure constitutes an acknowledgement that no conflict of interest exists.
- The director shall give the necessary time and attention for his/her/its functions. Should he/she/it exercise executive functions, he/she/it shall not, in principle, agree to exercise more than three other directorships in listed companies outside of its group, including companies abroad.
- The director must be diligent and take part in the Board meetings and General Shareholders' meetings of the Company or, as the case may be, in the meetings of the committees, to which he/she/it belongs.

- The director undertakes to inform himself/herself/itself. For this purpose, he/she/it shall ask the Chairman, in good time, for the information essential for his/her/its required intervention concerning the topics on the agenda of the Board meeting.
- As regards information not in the public domain and acquired within the scope of his/her functions, the director must consider himself/herself/itself bound by actual professional secrecy, exceeding the simple obligation of discretion stipulated by legal texts.
- Lastly, the director must:
 - not (i) perform operations in the shares of companies, including the derivatives concerning which (and inasmuch as) he/she/it holds, by virtue of his/her/its functions, information not yet in the public domain; (ii) recommend to perform any operations in such financial instruments nor (iii) communicate such information;
 - declare any transactions performed in the shares of the Company, in application of the legal and regulatory texts. In this respect, since the Company is legally required to communicate to the Autorité des Marchés Financiers any operations in the shares of the Company performed by the directors and its relatives, each director undertakes to inform the secretary of the Board within two days of the performance of such operation.

1.3 Remuneration

The Board allocates to the Board members, in addition to an equal part of directors' fees, an additional part which would be linked to additional workload and responsibilities resulting from the specific functions of Chairmanship of the Board or of the Committees.

2. FIELD OF COMPETENCE OF THE BOARD

The Board of Directors shall determine the scope of the Company's activity, and shall look after the implementation thereof. Subject to the powers expressly allocated by law to General Meetings of shareholders, and within the limits of the corporate object of the Company, the Board shall put on its agenda any question concerning the proper running of the Company, and shall settle any affairs concerning it, in its deliberations.

The Board of Directors shall refer to a General Meeting of shareholders if an operation concerns a significant part of the group's assets or activities.

In relationships with third parties, the Company shall be committed even by Board of Directors actions that do not fall under the corporate object, unless the Company can prove that the third party knew that the action exceeded said object, or unless said third party could not be unaware thereof in view of the circumstances.

The Board of Directors shall perform any controls and verifications that it deems opportune. Each director shall be given the information necessary for the carrying-out of his/her/its task, and may ask to be communicated with any document that he/she/it deems necessary.

Without prejudice to the powers devolving on the Board of Directors by law and by the Company's articles of association, a prior deliberation of the Board of Directors will be required for the following actions:

- Undertakings with respect to sureties, endorsements or guarantees in an amount to be determined by the Board and constitution of any security;
- Total or partial disposal of investments held by the Company;
- Acquisition or sale of assets, including buildings or land, in an amount of more than 1,000,000 euros per project;
- Investment expenses of the Company, or considered by its subsidiaries, which depart from established procedures, or which are of specific strategic importance in the financial or technical sense;
- Contributions to pension plans or to insurance policies, that do not originate from legal regulations, from a collective labour agreement, from an agreement of place of business, and which affects more than one half of the staff of said place of business;
- Borrowings, loans, credits, down payments, subsidies in excess of 1,000,000 euros by the Company or by its subsidiaries, and debts write-off irrespective of the amount thereof concerning such operations;
- Renting or leasing not in the budget, the rental/lease charge of which exceeds 1,000,000 euros per year, and/or is for a term greater than 3 years;
- Signature of any contract, agreement, undertaking, (i) the value of which exceeds 1,000,000 euros, to the exclusion of any sale or purchase contract of any primary or secondary raw materials concluded by the Company in its own name or as commercial agent of an affiliate of the Group, or (ii) exceeding the normal run of business and the term of which is equal or longer than 5 years, as well as the signature of any strategic research, study or service contract that exceeds the normal run of business;
- Definition of medium- or long-term strategy for the Group, approval of annual budgets and corrections thereto during the year;
- Decisions concerning the strategy of the Group or the changes to organisational structures of the Company, or decisions having major consequences on one or more activity sectors of the Group,

- Decisions concerning any significant operation outside of the Group's announced strategy and which may significantly affect or change the financial structure or results of the Group;
- Decisions to engage in new activities within the scope of the Company's corporate object, or to stop existing activities;
- Choice of the managers, directors of subsidiaries or companies, in which a stake is held;
- Legal proceedings taken by the Company that may have a substantial impact on the image or the results of the Group;
- Out-of-court agreements or settlements, waiver of rights of recourse, when the amounts involved exceed 100,000 euros.
- Publication of information of significant importance destined for the public.

3. FUNCTIONING OF THE BOARD

3.1 Calling of Board meetings

The Board of Directors shall meet upon invitation of its Chairman, as often as the Company's interests so require. The meeting shall take place at the Company's office, or at any other location mentioned in the invitation.

However, (i) when a meeting has not taken place for more than two months, at least one third of the members of the Board of Directors may ask the Chairman to call a meeting of the Board of Directors with an agenda defined by these directors, (ii) and if the Managing Director is not the Chairman of the Board of Directors, the Managing Director may ask the Chairman to call a meeting of the Board of Directors with an agenda as defined in this request.

The Chairman shall be bound by the requests made of him/her/it according to the above paragraph.

The invitations to meetings shall be made by letter, by e-mail, or verbally if all the directors so agree. They must be sent out at least five calendar days before the meeting, apart from cases when the Chairman considers that the urgency of the meeting requires shorter notice.

3.2 Information to be given to the directors

The Chairman shall make sure that the documents, technical files and information relating to the agenda, are communicated to the directors by ordinary or express mail, by e-mail or through a secured and dedicated digital platform, in a reasonable time-frame, of approximately four calendar days before the meeting, such as:

- the draft minutes of the previous meeting of the Board of Directors,

- the draft resolutions to be placed before the next meeting of the Board of Directors,
- the information documents enabling the vote at the time of presentation of the decisions placed before the Board of Directors,
- the internal management documents allowing the financial evolution and the technical functioning of the Company, and of the group, to be monitored.

Furthermore, the Chairman shall keep the directors regularly informed, between the meetings, of any event and information that may have an effect on the financial / cash-flow situation of the Company, as also of the commitments of the Company, when any event concerning the Company shall justify it.

Board members may assess whether the information provided is adequate at each Board meeting and during its annual self-assessment and may ask for any additional information as necessary.

The Board of Directors may seek the assistance of any outside advisors at the time of the meetings (lawyers, consultants...), if the aforesaid seems necessary.

On request by any directors, the Chairman shall organise any complementary training session concerning the specificities of the company, its business, and its sectors of activity.

3.3 Representation

Any director may be represented by another director at a meeting of the Board of Directors, according to the conditions and limits laid down by the law.

3.4 Voting majority

Decisions shall be made by simple majority of the votes by members present or represented, where each director shall have one vote for himself/herself/itself, and possibly shall have the vote of a sole proxy-giver. The Chairman of the Board of Directors shall have a casting vote in case of a split vote.

3.5 Quorum – Video-conference and telecommunication

In accordance with the legal and regulatory stipulations (article L.225-37 of the Code of Commercial Law and Decree no 2006-1566 dated 11 December 2006), the following parties shall be considered as present for calculation of the quorum and of a voting majority: Directors who take part in a meeting of the Board of Directors by means of video-conference or telecommunication that allows their identification and guarantees their effective participation.

In accordance with the legal and regulatory stipulations, this possibility of participation by video-conference, or by any other means of telecommunication shall not apply for approvals of the annual accounts, the consolidated accounts and the management report, and of the report on management of the group.

The minutes of meetings of the Board of Directors shall state the names of directors present, represented, absent or having given apologies for absence, the names of directors taking part in the meeting by video-conference, or by any other means of telecommunication, as well as the presence or absence of persons invited to the meeting according to a legal stipulation, and the presence of any other person.

The minutes shall, should this happen, also state the occurrence of any technical incident that might disrupt the running of the meeting, especially should this incident have interrupted the discussions, or have prevented the holding/continuation thereof to conclusion with all the participants. In case of occurrence of such incident, a new ruling will be made concerning the points dealt with, after the disruption or the interruption of transmission.

The means of video-conference, and of telecommunication, must at least re-transmit the vote, and satisfy the technical characteristics, that guarantee effective participation at the Board meeting, the deliberations of which will be re-transmitted in an unbroken and simultaneous way.

Recourse to this process of participation at a Board meeting can only be allowed if its technical characteristics show:

- an unbroken and simultaneous re-transmission of the deliberations,
- individualisation of each director taking part,
- and individualisation of any other person, whose presence is justified by a legal provision, as also of any other person taking part in the meeting in whole or part.

4. ROLE AND MISSIONS OF THE COMMITTEES OF THE BOARD

The Board of Directors shall set in place specialised committees, the make-up and functioning of which shall be defined by the Board and the objective of which is to carry out preparatory work concerning certain resolutions of the Board of Directors by providing their opinions, recommendations or suggestions.

4.1 The Audit Committee

The Audit Committee is responsible for the following missions which are described in details in the Mandate of the Audit Committee:

- following through on the process of preparing and controlling accounting and financial information and, where appropriate, shall formulate recommendations to guarantee its integrity;
- following through on the effectiveness of internal control and risk management systems, as well as internal audit where appropriate, with regard to the procedures for preparing and processing of accounting and financial information, without its independence being compromised;
- issuing a recommendation on the Statutory Auditors proposed for appointment by the Annual General Meeting. This recommendation made to the Board of Directors is prepared in accordance with the provisions of the French Commercial Code. It shall also make a recommendation to the Board of Directors when the reappointment of the Statutory Auditor(s) is being considered;
- following through on the performance of their duties by the Statutory Auditors. Where appropriate, it shall take into account any observations and findings made by the Haut conseil du commissariat aux comptes (France's supervisory body for auditors) following the controls performed in accordance with the law;
- ensuring that the Statutory Auditors satisfy the independence requirements laid down in law. Where appropriate, it shall take the relevant measures to comply with the rules on audit fees and make sure that the legal requirements are complied with concerning the preparation of the statutory audit and evaluation of risks to the independence of the Statutory Auditors.
- approving the provision of services other than statutory audits referred to in article 822-11-2 of the French Commercial Code.

4.2 The Remuneration and Nominations Committee

The Remuneration and Nominations Committee is responsible for the following missions which are described in details in the Terms of Reference of the Remuneration and Nominations Committee:

- the consideration and determination of all elements of the remuneration of all executive directors of the Company including the Chairman, Chief Executive Officer and Chief Financial Officer and the Heads of the major operating subsidiaries or business units of the Company (hereinafter the “Executive Group”) as defined by the Board;
- the determination of targets for any performance-related pay schemes operated by the Company;
- ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- the consideration and determination of other provisions of service agreements of the Executive Group (in particular the term and any notice period);

- the administration of all aspects of any share incentive scheme operated by or to be established by the Company including but not limited to (subject always to the rules of that scheme and any applicable legal and stock exchange requirements):
 - the selection of those eligible directors and employees of the Company and its subsidiary companies to whom share awards and/or options should be granted;
 - the timing of any grant;
 - the numbers of shares over which awards and/or options are to be granted;
 - the exercise price at which options are to be granted;
- the leading of the process for appointments to the Board and the issuance of recommendations in this regard to the Board concerning:
 - the succession planning for both executive and non-executive directors and in the key roles of Chairman and Chief Executive Officer;
 - the list of suitable candidates for the role of independent director;
 - the appointment of any non-executive director at the conclusion of the specified term of office;
 - the process and procedures relating to the annual evaluations of the Board's performance and that of its committees and individual directors;
 - any matters relating to the continuation in office of any director at any time;
 - the appointment of a director to executive or other office, other than to positions of Chairman and Chief Executive Officer.

The creation of specialised Committees must, however, not remove the competences of the Board, or lead to a dismemberment of its decisional panel, which shall remain collectively responsible for the performance of its tasks.

The Chairman of each Committee report to the Board of Directors on its work, advice, suggestions and recommendations, a description of the Committees activities being included in the Annual Report.

5. ASSESSMENT OF THE BOARD

The Board shall assess its ability to answer the expectations of the shareholders, where it shall annually review its composition, organisation and functioning, with the objectives of:

- (i) reviewing the Board's processes,
- (ii) verifying that important questions are properly prepared and discussed,
- (iii) questioning about the good functioning of the corporate governance in the Company.

Each year, the agenda of the last meeting of the Board of Directors shall include a point relating to an assessment of the make-up, organisation and functioning of the Board of Directors and of the

Committees. The Board of Directors shall inform the shareholders on the results of such assessment in the Annual Report.

Upon recommendations of the Remuneration and Nominations Committee, non-executive directors (not managing directors or employees of the Company) shall meet periodically and at least once a year, not in the presence of the executive directors, in order to appraise, if applicable, the performance of the Chairman-Managing Director, or of the Chairman and of the Managing Director, in case of splitting of said functions.
