



This "Report of the Board of Directors on draft resolutions" is a non-official translation into English of the "Rapport du Conseil d'administration sur les projets de résolutions" issued in French language and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law.

REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL MEETING OF 29 JULY 2020 ON DRAFT RESOLUTIONS

Ladies and Gentlemen Shareholders,

We have called this Combined General Meeting to report to you on the activities of Recylex S.A. (hereinafter the "Company") and its subsidiaries during the fiscal year beginning January 1, 2018 and ending December 31, 2018, and to submit for your approval the Company's corporate and consolidated financial statements for this fiscal year.

We have also called this meeting in order to ask you to vote on:

- the approval of the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code,
- the ratification of the cooptation, the appointment and renewal of the term of office of certain directors,
- approval of the information relating to the compensation of corporate officers mentioned in I of Article L. 225-37-3 of the French Commercial Code,
- the approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during financial year 2018 or granted for the same financial year to Mr. Sebastian Rudow, in his capacity as Chairman and Chief Executive Officer,
- the approval of the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year 2019 or allocated for the same financial year to Mr. Sebastian Rudow, in his capacity as Chairman and Chief Executive Officer,
- approval of the compensation policy for the Chairman and Chief Executive Officer for the financial year 2020,
- approval of the remuneration policy for members of the Board of Directors for the financial year 2020,
- the decision to be taken regarding the Company's shareholders' equity that has fallen below half of the share capital (going concern), and
- amendments to the Company's Articles of Association.

The activity of the Company and its subsidiaries during the fiscal year ended December 31, 2018, as well as the progress of corporate affairs since the beginning of the current fiscal year, has been reported in the management report of the Board of Directors which has been communicated to you in accordance with the law.

The purpose of this report is to present to you the draft resolutions submitted to your vote.

Recylex S.A. Société Anonyme with a share capital of 9.577.998,34 € | R.C.S. 542 097 704 Paris

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ON AN ORDINARY BASIS

I. APPROVAL OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS - APPROPRIATION OF EARNINGS (FIRST, SECOND AND THIRD RESOLUTIONS)

The Board of Directors proposes that the General Meeting approve the financial statements for the financial year ending 31 December 2018 as approved by the Board of Directors, in view of the deficit for the financial year ending December 31, 2018, which amounts to 65,051,756.78 euros, to allocate the entire loss of 65,051,756.78 euros to the "retained earnings" account, the balance of which, after allocation, would amount to a debit amount of 59,119,571.90 euros.

In accordance with legal provisions, the Board of Directors proposes that the General Meeting of Shareholders approve the amount of expenses and charges referred to in Article 39-4 of the French General Tax Code that are not deductible from income, amounting to 21,805 euros for the year ended December 31, 2018.

We remind you that no dividend has been distributed for the last three financial years.

II. APPROVAL OF THE AGREEMENTS REFERRED TO IN ARTICLES L.225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE (FOURTH RESOLUTION)

The Board of Directors proposes that the General Meeting take note of the conclusions of the special report of the auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and approve the agreements mentioned in this report. These agreements were authorized by the Board of Directors and entered into during the 2018 financial year.

In accordance with article L.225-40 of the French Commercial Code, interested parties may not take part in the vote on this resolution.

III. RATIFICATION OF THE COOPTATION OF KARIN LATTWEIN AS DIRECTOR (FIFTH RESOLUTION)

The Board of Directors proposes that the General Meeting ratify the co-option by the Board of Directors at its meeting on February 6, 2020 of Ms Karin Lattwein as Director, as a replacement of Ms Diana Kisro-Warnecke.

Born in 1977 in Germany, Commercial Director in Stuttgart of an OEM dealer and with her experience both in the German automotive sector and in large-scale risk management, Karin Lattwein will bring to the Recylex Group her knowledge of business issues, compliance and business modernization in a context of restructuring.

IV. RENEWAL OF THE TERMS OF OFFICE AS DIRECTORS OF MR. SEBASTIAN RUDOW, MS. LAETITIA SETA AND MR. CHRISTOPHER ESKDALE, AND APPOINTMENT OF MS. KARIN LATTWEIN (SIXTH, SEVENTH, EIGHTH AND NINTH RESOLUTIONS)

The Board of Directors proposes that the General Meeting renew the terms of office of Mr Sebastian Rudow, Ms Laetitia Seta and Mr Christopher Eskdale, and appoint Ms Karin Lattwein, whose terms of office have expired or expire in the financial year 2020, for a period of three (3) years expiring at the end of the General Meeting called to approve the financial statements for the financial year ending 31 December 2022.

- Sebastian Rudow has been Chairman and Chief Executive Officer of Recylex S.A. since November 11, 2017.
- Ms Laetitia Seta has been a Director of Recylex S.A. since May 6, 2011.
- Mr Eskdale has been a Director of Recylex S.A. since May 12, 2014. He is a member of the Remuneration and Nomination Committee and the Audit Committee of Recylex S.A.
- Ms Lattwein has been coopted as Director of Recylex S.A. by the Board of Directors on February 6, 2020.

For more information on Mr. Sebastian Rudow, Ms. Laetitia Seta, Mr. Christopher Eskdale and Ms. Karin Lattwein, please refer to section 2.9.2.1.1. of the management report.

V. APPROVAL OF THE INFORMATION RELATING TO THE REMUNERATION OF CORPORATE OFFICERS MENTIONED IN ARTICLE L. 225-37-3 I OF THE FRENCH COMMERCIAL CODE (TENTH RESOLUTION)

The tenth resolution relates to the information mentioned in I of article L. 225-37-3 of the French Commercial Code, pursuant to article L. 225-100 II of the French Commercial Code, i.e. the information relating to the compensation of all corporate officers as mentioned in section 2.9 of the Company's management report entitled "Information on corporate governance", including corporate officers whose term of office has expired and newly appointed corporate officers.

VI. APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR 2018 OR GRANTED FOR THE SAME FINANCIAL YEAR TO MR. SEBASTIAN RUDOW, IN HIS CAPACITY AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER (ELEVENTH RESOLUTION)

The Board of Directors proposes that the Shareholders' Meeting approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during fiscal year 2018 or awarded for the same fiscal year to Mr. Sebastian Rudow in his capacity as Chairman and Chief Executive Officer, pursuant to Article L.225-100 of the French Commercial Code.

The elements of Mr. Sebastian Rudow's compensation for financial year 2018 are in accordance with the compensation policy for the Chairman and Chief Executive Officer approved by the General Meeting of Shareholders on June 5, 2018 (9th resolution).

- a) The gross annual fixed compensation of Sebastian Rudow in his capacity as Chief Executive Officer of Recylex S.A. for 2018 amounted to a gross amount of 230,000 euros.
- b) The variable compensation of Mr. Sebastian Rudow in his capacity as Chief Executive Officer of Recylex S.A. for 2018 was set by the Board of Directors (at its meeting of March 28, 2019) at €260,000 (i.e., 113% of the fixed portion of his compensation) and was determined on the basis of the following criteria
 - individual non-financial criteria relating to (i) the improvement and development of the Group's organization, including in particular internal procedures and communication, (ii) the development of loss-making business segments with a recovery target by 2019/2020, (iii) the successful start-up of the new reduction furnace and (iv) the development of the Group's future strategy;
 - economic criteria based on consolidated EBITDA performance.
- c) Ancillary benefits: Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., benefited from the health insurance plan applicable to Recylex S.A. employees.
- d) Post-employment benefits:
 - Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., benefits from the mandatory pension plans like all employees and does not participate in Recylex S.A.'s supplementary pension plans, in the form of a "PERCO" collective retirement savings plan or a of a compulsory defined-contribution group pension plan under the regime set out in Article 83 of the French General Tax Code ("Article 83").
 - Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., does not benefit from any termination or non-competition indemnities.

The compensation paid during financial year 2018 or allocated for the same financial year to Mr Sebastian Rudow is detailed in section 2.9 of the Company's Management Report, presented jointly with this report to the General Meeting, entitled "Information on corporate governance" and referred to in the last paragraph of Article L. 225-37 of the French Commercial Code.

It is reminded that in 2019, the Company was unable to hold an Ordinary General Meeting called to approve the 2018 financial statements. Given the exceptional circumstances preventing the holding of a Shareholders' Meeting within a reasonable period of time and given the involvement of the Chairman and Chief Executive Officer throughout the 2018 financial year, the Board of Directors, on the proposal of Remuneration and Nomination Committee, decided, on 18 October 2019, to pay the variable portion of the Chairman and Chief Executive Officer's compensation for the 2018 financial year, without waiting for the vote of approval by the shareholders' meeting, Mr. Sebastian Rudow being required to return the portion of his variable compensation for the 2018 financial year that would not be approved by the shareholders' meeting, and the Company reserving the right to deduct the amount concerned from any amount that would be due to Mr. Sebastian Rudow, including the fixed portion of his compensation.

VII. APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL ELEMENTS MAKING UP THE TOTAL COMPENSATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR 2019 OR GRANTED FOR THE SAME FINANCIAL YEAR TO MR. SEBASTIAN RUDOW, IN HIS CAPACITY AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER (TWELFTH RESOLUTION)

The Board of Directors proposes that the Shareholders' Meeting approve the fixed, variable and exceptional items comprising the total compensation and benefits of any kind paid during the financial year 2019 or allocated for the same financial year to Mr. Sebastian Rudow in his capacity as Chairman and Chief Executive Officer, pursuant to Article L.225-100 of the French Commercial Code.

As no shareholders' meeting has been held since 5 June 2018, the compensation policy for financial year 2019 could not be approved by the shareholders' meeting in 2019. As such, the elements of Mr. Sebastian Rudow's compensation for financial year 2019 were determined in accordance with the compensation policy for the Chairman and Chief Executive Officer for financial year 2018, approved by the shareholders' meeting on 5 June 2018 (9th resolution).

- a) The gross annual fixed compensation of Mr. Sebastian Rudow in his capacity as Chief Executive Officer of Recylex S.A. for 2019 amounted to a gross amount of 230,000 euros.
- b) The variable compensation of Mr. Sebastian Rudow in his capacity as Chief Executive Officer of Recylex S.A. for 2019 was set by the Board of Directors (at its meeting of April 27, 2020) at €260,000 (i.e. 113% of the fixed portion of his compensation) and was determined on the basis of the following criteria)
 - individual non-financial criteria relating to (i) the improvement and development of the Group's organization, including in particular internal procedures and communication, (ii) the development of loss-making business segments with a recovery target by 2019/2020, (iii) the successful start-up of the new reduction furnace and (iv) the development of the Group's future strategy;
 - economic criteria based on consolidated EBITDA performance.
- c) Ancillary benefits: Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., benefited from the health insurance plan applicable to Recylex S.A. employees.
- d) Post-employment benefits:
 - Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., benefits from the mandatory pension plans like all employees and does not participate in Recylex S.A.'s supplementary pension plans, in the form of a "PERCO" collective retirement savings plan or a of a compulsory defined-contribution group pension plan under the regime set out in Article 83 of the French General Tax Code ("Article 83").
 - Mr. Sebastian Rudow, in his capacity as Chief Executive Officer of Recylex S.A., does not benefit from any termination or non-competition indemnities.

The compensation paid during financial year 2019 or allocated for the same financial year to Mr Sebastian Rudow is detailed in section 2.9 of the Company's Management Report, presented jointly with this report to the General Meeting, entitled "Information on corporate governance" and referred to in the last paragraph of Article L. 225-37 of the French Commercial Code.

The payment of the variable portion for 2019 is subject to the prior approval of your Shareholders' Meeting.

VIII. APPROVAL OF THE REMUNERATION POLICY OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER FOR THE FINANCIAL YEAR 2020 (THIRTEENTH RESOLUTION)

The Board of Directors proposes that the Shareholders' Meeting approve the compensation policy for the Chairman and Chief Executive Officer for the financial year 2020 in accordance with Article L.225-37-2 of the French Commercial Code.

The principles underlying the determination of the elements of compensation for the Chairman and Chief Executive Officer for the financial year 2020 are detailed in section 2.9 of the Company's management report, presented jointly with this report to the Shareholders' Meeting, entitled "Information on corporate governance" and referred to in the last paragraph of Article L.225-37 of the French Commercial Code.

IX. APPROVAL OF THE REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2020 (FOURTEENTH RESOLUTION)

The Board of Directors proposes to the General Meeting to approve the remuneration policy for the financial year 2020 for the members of the Board of Directors pursuant to Article L.225-37-2 of the French Commercial Code.

The principles underlying the determination of the elements of remuneration for the financial year 2020 for the members of the Board of Directors are detailed in section 2.9 of the Company's management report, presented jointly with this report to the General Meeting, entitled "Information on corporate governance" and referred to in the last paragraph of article L.225-37 of the French Commercial Code.

ON AN EXTRAORDINARY BASIS

X. DECISION TO BE TAKEN CONCERNING THE COMPANY'S SHAREHOLDERS' EQUITY WHICH HAS FALLEN BELOW HALF OF THE SHARE CAPITAL - CONTINUATION OF ACTIVITY (FIFTEENTH RESOLUTION)

In accordance with the provisions of Article L.225-248 of the French Commercial Code, after having noted that shareholders' equity, following the allocation of earnings, amounts to -36,197,331.33 euros for a share capital of

9,577,998.34 euros at 31 December 2018, and has therefore become less than half of the share capital, the shareholders are invited to vote on the early dissolution of the Company or the continuation of its activity.

If the dissolution is rejected, the Company will have a period expiring no later than the end of the second financial year following the one during which the losses were recorded, to regularize the situation, under the conditions provided for by the legal and regulatory provisions in force.

We invite you to vote in favour of the continuity of the Company's activity.

XI. AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY (SIXTEENTH, SEVENTEENTH AND EIGHTEENTH RESOLUTIONS)

In the sixteenth to eighteenth resolutions, it is proposed that the shareholders amend the Company's Articles of Association as follows:

- the sixteenth resolution relates to the amendment of article 17.1 of the bylaws relating to the powers of the Board of Directors in order to bring it into compliance with the new wording of article L. 225-35 paragraph 1 of the French Commercial Code (as amended by law no. 2019-486 of 22 May 2019 relating to the growth and transformation of companies). It would be specified that the Board of Directors determines the orientations of the company's activity and ensures their implementation, in accordance with its social interest, taking into consideration the social and environmental stakes of its activity;
- the seventeenth resolution concerns the amendment of Articles 14.7 and 33 of the Articles of Association in order to reflect the new wording of Article L. 225-45 of the French Commercial Code (as amended by Law No. 2019-486 of May 22, 2019 relating to the growth and transformation of companies) by replacing the term "directors' fees" by "compensation";
- the eighteenth resolution relates to the amendment of Article 16 of the Articles of Association relating to the deliberations of the Board of Directors in order to allow the Board of Directors to take decisions by written consultation under the conditions set by law, in accordance with the option provided for by the new wording of Article L. 225-37 of the French Commercial Code (as amended by Law no. 2019-744 of July 19, 2019 on the simplification, clarification and updating of company law).

ON AN ORDINARY AND EXTRAORDINARY BASIS

XII. POWERS TO COMPLETE THE FORMALITIES (NINETEENTH RESOLUTION)

Finally, you are asked to grant all necessary powers to the holder of an original, copy or extract of the minutes of this General Meeting to complete all legal and/or administrative formalities, to file any documents and to satisfy any publication requirements provided for by the legislation in force.

We trust that these proposals will meet your approval and, accordingly ask you to vote in favor of the draft resolutions submitted to you.

The Board of Directors