

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

THE YEAR ENDED DECEMBER 31, 2018

To the Shareholders' Meeting of Recylex S.A.

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by Shareholders' Meeting, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These guidelines require that we agree the information provided to us with the relevant source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized and concluded during the year

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements and commitments, entered into during the year and previously authorized by the Board of Directors, have been brought to our attention.

- **Amendments to the technical cooperation agreement between your Company and Glencore International AG**

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

On October 1, 2014, your Company signed a technical cooperation agreement with its subsidiary Weser-Metall GmbH and Glencore International AG whereby Weser-Metall GmbH and Glencore International AG agreed to exchange technical information with the objective of increasing the efficiency and long-term performance of the Weser-Metall smelting plant and thereby improve the long-term economic performance of the Group and, hence, enable your Company to repay the loan granted by Glencore International AG to your Company.

This agreement was authorized by the Board of Directors' meeting of September 23, 2014, which considered it was in the interests of your Company, given its link to the aforementioned loan agreement and the interest for the Company of securing this loan.

In a letter dated January 17, 2018 representing a contract amendment, the technical cooperation agreement was modified to include a technical audit assignment conducted by Glencore International AG health and safety experts, on the situation of the Weser-Metall GmbH subsidiary and other Group subsidiaries, remunerated at a daily rate of €1,500.

The amendment of this technical cooperation agreement was entered into in the Company's interest following the change in Executive Management and was authorized by the Board of Directors' meeting of March 16, 2018.

In a letter dated April 23, 2018 representing a contract amendment, the technical cooperation agreement was modified to include a specific technical assistance assignment for the update of your Group's risk hedging policy for metal prices, involving the assistance of Glencore International AG's technical experts, remunerated at a daily rate of €1,200.

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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The amendment of this previously approved technical cooperation agreement was authorized by the Board of Directors' meeting of April 13, 2018 in the Company's interest.

This cooperation agreement did not generate an expense for Recylex S.A. in fiscal year 2018.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY ANNUAL GENERAL MEETING

Agreements and commitments approved during previous years

a) with continuing effect during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by prior-year Shareholders' Meetings, have remained in force during the year.

- ***Loan Agreement between your Company and Glencore International AG***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

On October 1, 2014, your Company signed a loan agreement with Glencore International AG with the following main terms and conditions:

- Maximum amount: €16 million;
- Purpose: payment of the last two installments under your Company's business continuation plan and cash requirements provisioned in your Company's accounts as of June 30, 2014;
- Interest: 7% per annum + Libor, payable half-yearly;
- Repayable in full in one installment on June 30, 2009 or in advance either at the initiative of your Company or in case of events that make or are likely to make the financial situation of your Company significantly worse.

This agreement was authorized by the Board of Directors' meeting of September 23, 2014, which considered it was in the interests of your Company, given the forecast cash requirements identified by your Company at the authorization date.

In fiscal year 2017, in the context of the payment plan for the €26.7 million fine imposed by the European Commission, Glencore International AG accepted to defer the repayment date for this loan facility to June 30, 2024.

As the amendment of this agreement was a prerequisite to the acceptance of the payment plan for the European Commission fine, it was authorized by the Board of Directors' meeting of May 24, 2017 in the interests of your Company.

Your Company performed drawdowns totaling €16 million on this loan facility, generating interest of €1,085 thousand in fiscal year 2018.

- ***First rank pledge agreement between your Company and Glencore International AG on shares held by your Company in Recytech S.A. (50%)***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

On October 1, 2014, to guarantee the repayment of the aforementioned loan, your Company entered into a pledge agreement with Glencore International AG, whereby your Company granted a pledge in favor of Glencore International AG on all shares held by your Company in Recytech S.A. (owned 50%), as well as a cash proceeds special account to be credited with any future dividends received by your Company from Recytech S.A. Your company is free to use this cash proceeds special account except in case of events that make or are likely to make the financial situation of your Company significantly worse, as detailed in the above loan agreement.

This agreement was authorized by the Board of Directors' meeting of September 23, 2014, which considered it was in the interests of your Company as ancillary to the aforementioned loan agreement and given the interest for your Company of securing this loan.

- ***Provision by Glencore International AG of a credit facility in favor of your Company***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

Glencore International AG provided your Company with a credit facility available from April 16, 2003 to August 29, 2003 and capped at €12 million, bearing interest at one-month Euribor + 1%. This agreement was authorized by the Board of Directors' meeting of April 8, 2003.

At your Company's request, Glencore International AG accepted to defer until November 24, 2019 repayment of the residual receivable included in your Company's continuation plan of €4,900,507, in accordance with the same conditions provided for by the plan. This agreement was authorized by the Board of Directors' meeting of October 16, 2013.

In fiscal year 2017, in the context of the payment plan for the €26.7 million fine imposed by the European Commission, Glencore International AG accepted to defer the repayment date to 2026 for its receivable, initially scheduled for November 24, 2019.

As the amendment of this agreement was a prerequisite to the acceptance of the payment plan for the European Commission fine, it was authorized by the Board of Directors' meeting of May 24, 2017 in the interests of your Company.

- ***Debt waiver with a claw-back clause in favor of Glencore International AG***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

As part of your Company's continuation plan, approved by the Board of Directors' meeting of September 5, 2005, Glencore International AG waived its receivable of €17,812,955, subject to a claw-back clause. Under this claw-back clause, your Company irrevocably undertook, as from December 31, 2015, to allocate 20% of its available cash (i.e. cash and short-term securities), as of December 31 of each fiscal year, to the repayment of the outstanding balance on a pari passu basis between the continuation plan creditors benefiting from the financial recovery clause, with no limit in time.

Based on this claw-back clause, your Company has recognized a liability amounting to €197.8 thousand as of December 31, 2018

- ***Second rank pledge agreement between your Company and Glencore International AG on shares held by your Company in Recytech S.A. (50%)***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

On December 5, 2016, the Group's German subsidiaries, Recylex GmbH, Weser-Metall GmbH, Harz-Metall GmbH, PPM Pure Metals GmbH, Norzinco GmbH, C2P Germany GmbH and Recylex Grundstücksverwaltungs GmbH, signed a loan agreement with a bank consortium for €67 million, subject to the lifting of several conditions precedent (hereinafter the "Loan").

Among the conditions precedent for the Loan, in December 2016 Glencore International AG granted commitments to the German subsidiaries, Recylex GmbH, Harz-Metall GmbH, Weser-Metall GmbH, Norzinco GmbH, C2P-Germany GmbH, PPM Pure Metals GmbH and Recylex Grundstücksverwaltungs GmbH, notably to cover any overrun in the budget for Weser-Metall GmbH's new reduction furnace (capped at €10 million) and any specific cash requirements of these German subsidiaries (capped at €25 million).

In addition, under the conditions precedent for the Loan and with a view to guaranteeing the performance of its obligations stipulated in the Loan agreement, the shares of Recylex GmbH, Harz-Metall GmbH and Weser-Metall GmbH were transferred to two special purpose Trustees under a Trust agreement governed by German law signed on December 19, 2016 between Recylex Beteiligungsgesellschaft Eins, a wholly-owned subsidiary of your Company, Recylex Beteiligungsgesellschaft Zwei, a wholly-owned subsidiary of your Company, Recylex GmbH, Weser-Metall GmbH, Harz-Metall GmbH, the two Trustees and Glencore International AG. The Recylex group entities retain the economic ownership of these entities and continue to exercise and benefit from their shareholder rights, provided the borrowers do not default on their obligations.

In the context of this Trust arrangement, Glencore International AG has suspended, for the term of the Trusteeship, its rights under the aforementioned first rank pledge on the Recylex GmbH shares, guaranteeing the performance by your Company of its obligations pursuant to the claw-back clause set out in your Company's aforementioned continuation plan.

On December 19, 2016, in order to guarantee the performance by the German subsidiaries of their obligations under the aforementioned commitments granted by Glencore International AG and your Company's obligations to Glencore International AG under the aforementioned claw-back clause, your Company entered into an agreement providing a second rank pledge in favor of Glencore International AG on all the shares held by your Company in Recytech S.A. (i.e. 50%),

as well as a cash proceeds special account which will be credited by future dividends received by your Company from Recytech S.A. Your company is free to use this cash proceeds special account except in the event of failure by the German subsidiaries or by your Company to respect their aforementioned obligations, duly notified. This agreement was authorized by the Board of Directors' meeting of November 7, 2016, which considered it was in the interests of your Company in connection with the conditions precedent to obtain the Loan.

- ***Pledge in favor of Glencore International AG on shares held by your Company in Recylex GmbH***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

1) Guaranteeing repayment of a credit facility

To guarantee the repayment of amounts due under a credit facility granted by Glencore International AG in favor of your Company on September 30, 2002, your Company granted a first rank pledge to Glencore International AG on all shares held by your Company in Recylex GmbH.

This agreement was authorized by the Board of Directors' meeting of September 20, 2002.

Costs and interest relating to the aforementioned credit facility having not been paid in full, were recorded in liabilities in your Company's continuation plan. As the continuation plan is stated as being "interest free", the repayment of receivables under this plan does not bear interest.

At your Company's request, Glencore International AG accepted to defer until November 24, 2019 repayment of the residual receivable included in your Company's continuation plan of €149,572, in accordance with the same conditions provided for by the plan.

The amendment to this agreement was authorized by the Board of Directors' meeting of October 16, 2013.

In fiscal year 2017, in the context of the payment plan for the €26.7 million fine imposed by the European Commission, Glencore International AG accepted to defer the repayment date to 2026 for this receivable.

As the amendment of this agreement was a prerequisite to the acceptance of the payment plan for the European Commission fine, it was authorized by the Board of Directors' meeting of May 24, 2017 in the interests of your Company.

2) Guaranteeing repayment of amounts due under the claw-back clause stipulated in your Company's continuation plan

Glencore International AG holds a second rank pledge on all shares held by your Company in Recylex GmbH guaranteeing the repayment of a receivable initially owed to the Company's historical banks and assigned by them in July 2005 to Glencore International AG, accompanied by the pledge guaranteeing repayment. Your Company was notified of the assignment of the receivables on September 1, 2005.

Following the decision of the Paris Commercial Court of December 15, 2015 noting the proper performance of the continuation plan, the claw-back clause stipulated in this plan gave rise to the recognition in favor of Glencore International AG of this receivable amounting to €17,812,956, repayment of which is guaranteed by a second rank pledge on all shares held by your Company in Recylex GmbH.

The continuation plan, including the claw-back clause, was approved by the Board of Directors of your Company on September 5, 2005.

Under this claw back clause, your Company irrevocably undertook, as from December 31, 2015, to allocate 20% of its available cash (i.e. cash and short-term securities), as of December 31 of each fiscal year, to the repayment of the outstanding receivables on a pari passu basis between the continuation plan creditors benefiting from the claw-back clause, with no limit in time.

In the context of the Loan and the Trust agreement described above and entered into in December 2016, Glencore International AG suspended, for the entire duration of the Trusteeship implemented until repayment in full of the Loan, its rights under the pledge on Recylex GmbH shares held by your Company.

- ***Amendments to the technical cooperation agreement between your Company and Glencore International AG***

Directors concerned: Mrs. Laetitia Seta and Mr. Christopher Eskdale

On October 1, 2014, your Company signed a technical cooperation agreement with its subsidiary Weser-Metall GmbH and Glencore International AG whereby Weser-Metall GmbH and Glencore International AG agreed to exchange technical information with the objective of increasing the efficiency and long-term performance of the Weser-Metall smelting plant and thereby improve the long-term economic performance of the Group and, hence, enable your Company to repay the loan granted by Glencore International AG to your Company.

This agreement was authorized by the Board of Directors' meeting of September 23, 2014, which considered it was in the interests of your Company, given its link to the aforementioned loan agreement and the interest for the Company of securing this loan.

b) without effect during the year

In addition, we have been informed of the following commitments and agreements, previously approved by Shareholders' Meetings of prior years, which had no effect during the year.

- **Commitment to contribute to transportation costs and steel mill dust recycling costs on the industrial site of Recytech S.A. (owned 50%) in case of closure or cessation of Recytech S.A.**

Director concerned: Mr. Sebastian Rudow since 11/30/2017

Decree n°2012-633 published on May 3, 2012 includes the obligation for certain installations treating waste and classified for the protection of the environment, to set up financial guarantees to ensure the clean-up and rehabilitation of the site in case of closure. In this context, your Company committed to contribute to the transportation costs and to the steel mill dust recycling costs on the industrial site of Recytech S.A. in case of closure or cessation of Recytech S.A.

This agreement was authorized by the Board of Directors' meeting of March 27, 2014.

- **End of the commitment governed by Articles L.225-38 et seq. of the French Commercial Code in favor of Mr. Yves Roche**

During its meeting of August 30, 2011, your Company's Board of Directors decided to approve the establishment of a "PERCO" collective Group pension savings plan for Company employees and a mandatory Group defined contribution pension plan under the regime provided for in Article 83 of the French General Tax Code ("Article 83").

In connection with the establishment of the two supplementary pension plans for Company employees presented below, the Company sought to authorize Mr. Yves Roche to also benefit from such plans, under the conditions and subject to the limitations provided under French law, and under the same conditions as other Company employees.

The purpose of the PERCO plan is to enable beneficiaries who are eligible for employee savings vehicles, pursuant to prevailing regulations, to collectively contribute, with the Company's assistance, to the gradual creation of a portfolio of marketable securities and take advantage of the related tax benefits.

The regime under Article 83 seeks to guarantee funding for the payment of a supplementary pension exclusively in the form of a life annuity under a mandatory Group plan contracted by the Company with Generali. Accordingly, the Company is required, as from April 1, 2012, to fund this regime in the amount of 2% of Tranche A (percentage of compensation limited to the French Social Security ceiling), of Tranche B (percentage of compensation exceeding the French Social Security ceiling without exceeding the AGIRC ceiling) and of Tranche C (percentage of compensation exceeding the French Social Security ceiling without exceeding twice this ceiling). The applicable rate as of April 1, 2016 was 1.5%.

During its meeting of March 21, 2012, your Company's Board of Directors decided to authorize Mr. Yves Roche to benefit from the two aforementioned "PERCO" and "Article 83" supplementary pension plans, under the conditions and subject to the limits provided for by Law.

During its meeting of April 13, 2018, the Board of Directors considered that the regulated agreements and commitments benefiting Mr. Yves Roche were no longer applicable due to the termination of his duties as Chairman and Chief Executive Officer on November 30, 2017.

Paris La Défense, June 17, 2020

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