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RECYLEX S.A.

Statutory auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the
year ended December 31, 2019

RECYLEX S.A.

6, place de la Madeleine - 75008 Paris

This report contains 10 pages



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This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements 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.

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.

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 brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying other such agreements, 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 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 previously approved by Shareholders' Meeting, if any.

We performed the procedures that we considered necessary 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 procedures consisted in agreeing the information provided to us with the relevant source documents.



AGREEMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized and entered into during the year

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

- ***Technical services agreement and its amendments, between Weser-Metall GmbH and Glencore International AG, in the presence of Recylex S.A.***

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

On October 1, 2014, your Company signed a technical cooperation agreement with its subsidiary Weser-Metall GmbH and Glencore International AG (the "Technical Cooperation Agreement"), 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 improving the long-term economic performance of the Group and, hence, enabling your Company to repay the loan granted by Glencore International AG to your Company.

On February 28, 2019, Weser Metall GmbH and Glencore International AG entered into a technical services agreement, in the presence of Recylex S.A., under which Glencore International AG provides additional technical assistance to Weser-Metall GmbH in consideration for €10,000 per month.

The purpose of this agreement, which came into effect on January 1, 2019 for an initial term of 3 months, was to boost the long-term profitability of the Weser-Metall GmbH smelting plant with its two furnaces and therefore promote the long-term economic viability of the Recylex group. It replaced the Technical Cooperation Agreement signed in 2014.

This agreement was authorized by the Board of Directors' meeting of January 24, 2019, which considered it to be in the interests of your Company, particularly with regard to the conditions precedent of the €16 million loan taken out with your Company on October 1, 2014. Glencore International AG has called for the application of the Technical Cooperation Agreement over the term of the loan.

On May 31, 2019, an initial amendment to the technical services agreement was signed between Weser-Metall GmbH and Glencore International AG, in the presence of your Company, to extend the initial term of this agreement, which remained in force between the parties after the initial three months, to May 31, 2019, effective as of April 1, 2019, in connection with the agreements obtained at the same time regarding the German sub-group's financing. On June 11, 2019, your Board of Directors authorized the signing of this amendment to extend the initial term to May 31, 2019 and any other subsequent date as long as discussions on the German sub-group's financing are still ongoing, such agreements being justified in the interests of your Company.



On June 17, 2019, a second amendment to the technical services agreement was signed between Weser-Metall GmbH and Glencore International AG, in the presence of your Company, to extend the initial term of this agreement to July 31, 2019, effective as of June 1, 2019, in connection with the agreements obtained at the same time regarding the German sub-group's financing. This amendment was authorized, in the interests of the Company, by the Board of Directors' meeting of June 11, 2019.

On October 24, 2019, a third amendment to the technical services agreement was signed between Weser-Metall GmbH and Glencore International AG, in the presence of your Company, to extend the initial term of this agreement to December 31, 2019, effective as of July 31, 2019, in connection with the agreements obtained at the same time regarding the German sub-group's financing. The amendment also provided for the termination as of September 1 2019 of the Technical Cooperation Agreement entered into between your Company, Weser-Metall GmbH and Glencore International AG on October 1, 2014, with the agreement being replaced by the technical services agreement.

This third amendment was authorized by the Board of Directors' meeting of October 18, 2019, which considered that it was in the interests of your Company, Weser-Metall GmbH and the Group as a whole to benefit from the support of experts for the technical studies and measures undertaken to improve the operating methods and profitability of the Group's smelting plant.

- ***Termination of the Technical Cooperation Agreement and its successive amendments entered into between your Company, Weser-Metall GmbH and Glencore International AG.***

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

On October 1, 2014, your Company signed a technical cooperation agreement with its sub-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 improving the long-term economic performance of the Group and, hence, enabling 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

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 with regard to health and safety, remunerated at a daily rate of €1,500. The amendment of this technical cooperation agreement 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. The amendment of



this technical cooperation agreement was authorized by the Board of Directors' meeting of April 13, 2018.

On October 24, 2019, by means of the third amendment to the technical services agreement signed between Weser-Metall GmbH and Glencore International AG, in the presence of your Company, as mentioned above, the Technical Cooperation Agreement was terminated retroactively to September 1, 2019. The termination of this agreement was authorized by the Board of Directors' meeting of October 18, 2019. It was replaced by the technical services agreement.

AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

Agreements 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, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

- ***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, Mr. Christopher Eskdale and employees of Glencore International AG

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 (of up to €10 million) and any specific cash requirements of these German subsidiaries (up to a maximum of €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 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 first rank pledge on the Recylex GmbH shares, guaranteeing the performance by your Company of its obligations pursuant to the financial recovery clause set out in your Company's 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 financial recovery 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.

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

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

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 have not been paid in full and were recorded in liabilities in your Company's continuation plan. As the continuation plan is 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 €149,571.57, 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 financial recovery 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 debt 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 Trade Court of December 15, 2015 noting the proper performance of the continuation plan, the financial recovery clause stipulated in this plan gave rise to the recognition in favor of Glencore International AG of an outstanding receivable of €17,812,955.84, 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 financial recovery clause, was approved by the Board of Directors of your Company on September 5, 2005.

Under this financial recovery 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 financial recovery clause, with no limit in time (see Note 18.2 to the consolidated financial statements for the year ended December 31, 2016).

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.

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

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

Glencore International AG provided your Company with a credit facility available from April 16, 2003 to August 29, 2003 with the following terms and conditions:

- Date of the agreement : April 16, 2003
- Maximum drawdown amount : €12,000,000.00
- Expiry date : August 29, 2003
- Amount drawn down at 12.31.03 : €11,000,000.00
- Interest rate : 1 month Euribor + 1.00

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 €4,900,507.33, 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 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.

The balance of this receivable, including interest of €149,572, was €5,050,079 as of December 31, 2019.

- ***Debt waiver with a financial recovery clause in favor of Glencore International AG***

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

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 financial recovery clause. Under this financial recovery 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.

Under this financial recovery clause, your Company has allocated €4.1 million to liabilities as of December 31, 2019.

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

Directors concerned: Mrs. Laetitia Seta, Mr. Christopher Eskdale and employees of Glencore International AG

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 + average Libor, payable half-yearly;
- Repayable in full in one installment on June 30, 2019 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 €1,082 thousand in fiscal year 2019.

- ***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, Mr. Christopher Eskdale and employees of Glencore International AG

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.

b) without effect during the year

In addition, we have been informed of the following 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, also a director of Recytech S.A.

Decree 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 recover all the steel mill dust on the industrial site of Recytech S.A. and pay the dust transportation and recycling costs in case of closure or cessation of Recytech S.A.



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RECYLEX S.A.
*Statutory auditors' special report on regulated agreements Rapport spécial des
commissaires aux comptes sur les conventions et engagements réglementés
October 26, 2020*

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

Paris La Défense, October 26, 2020

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