
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.



RECYLEX S.A.

**INTERNAL RULES AND REGULATIONS
OF THE BOARD OF DIRECTORS**

Updated on 22.10.2020

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

Registered office : 6 place de la Madeleine | 75008 Paris | France

Administrative office : 79 rue Jean-Jacques Rousseau | 92158 Suresnes Cedex | France



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 composed of a certain number of independent directors, the proportion of which is determined and reviewed annually by the Board of Directors on the recommendation of the Remuneration and Nomination Committee.

The assessment of the independence of each member of the Board of Directors, which is characterized by the absence of any significant financial, contractual or family relationship that could impair independence of judgment, is reviewed annually by the Board of Directors, based on the recommendations of the Remuneration and Nomination Committee, in accordance with the following criteria, which may be modified by the Board of Directors:

- not to be and have not been, during the last five years, an employee or executive officer of the Company or a company in its group;
- not to have not been, during the last two years, and have not had a significant business relationship with the Company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);
- not be a major shareholder of the Company or hold a significant percentage of voting rights;
- not have a close relationship or close family ties with a corporate officer or a major shareholder;
- not to have been, during the last six years, statutory auditors of the Company.

Subject to justifying its position, the Board may consider that one of its members is independent even though he or she does not meet all of these criteria; conversely, it may also consider that one of its members meeting all of these criteria is not independent.

1.2 Principles applicable to members of the Board of Directors

- Before accepting his duties, the director must ensure that he or she is aware of the general or specific obligations of his or her office. In particular, they must familiarize themselves with the legal and regulatory texts, the bylaws, these internal rules and regulations and any additional practices that each Board may have brought to their attention.
- Each director must hold the minimum number of shares provided for in the Company's bylaws. The executive director must own, beyond the requirements of the bylaws alone, a relatively significant number of shares.
- Although the director is himself a shareholder, he represents all shareholders and must act in all circumstances in the Company's corporate interests.

- In the event of a conflict of interest arising after obtaining his term of office, the director is required to inform the Board of any conflict of interest, even potential, abstain from voting or participating in the deliberations, and if necessary resign. A lack of information on the part of the director is tantamount to an acknowledgement that no conflict of interest exists.
- The director must devote the necessary time and attention to their duties. When exercising executive functions, he must not, in principle, accept more than two other directorships in listed companies, including foreign companies, outside his group.
- The director must attend and participate in meetings of the Board and the Company's Shareholders' Meeting, or, as the case may be, in meetings of the committees to which he or she belongs.
- The director has an obligation to keep himself informed. To this end, he must request from the Chairman, within the appropriate timeframe, the information required for a useful discussion of the matters on the Board's agenda.
- With respect to non-public information acquired in the course of his duties, the director must consider himself bound by a genuine professional secrecy that goes beyond the simple obligation of discretion provided for by law.
- Finally, the director must :
 - refrain from (i) trading in the securities of companies, including derivatives, on which (and to the extent that) he or she has, by virtue of his or her duties, information that has not yet been made public, (ii) recommending transactions in such securities, and (iii) communicating such information;
 - to report transactions in the Company's securities in accordance with legal and regulatory requirements. In this respect, as the Company is subject to legal obligations to report to the Autorité des Marchés Financiers all transactions in securities carried out by the directors and related parties, each director undertakes to inform the secretariat of the Board within two days of the completion of such a transaction.

1.3 Remuneration

The Board allocates to the members of the Board a remuneration, in respect of their activity, divided equally between them, as well as an additional remuneration related to the additional workload and responsibilities resulting from the specific functions of chairing the Board or the Committees.

2. POWERS AND DUTIES OF THE BOARD

The Board of Directors determines the Company's business strategy and oversees its implementation. Subject to the powers expressly granted by law to Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors deals with all matters relating to the proper operation of the Company and settles, through its deliberations, all matters concerning the Company.

The Board of Directors refers a matter to the Shareholders' Meeting if the transaction concerns a preponderant part of the Group's assets or activities.

In relations with third parties, the Company is bound even by acts of the Board of Directors that do not fall within the corporate purpose, unless it proves that the third party knew that the act exceeded that purpose or that it could not have been unaware of it given the circumstances.

The Board of Directors carries out such controls and verifications as it deems appropriate. Each director is provided with all the information required to perform his or her duties and may request any documents he or she considers useful.

Without prejudice to the powers vested in the Board of Directors by law and the Articles of Association, prior deliberation by the Board of Directors will be required for the following acts:

- Commitments of sureties, endorsements or guarantees within the limit of the amount set by the Board of Directors and the constitution of all securities;
- Total or partial disposals of equity interests held by the Company;
- Acquisition or disposal of assets, including buildings or land, for an amount in excess of 1,000,000 euros per transaction;
- Capital expenditures by the Company or planned by its subsidiaries that deviate from established procedures or that are of particular strategic importance of a financial or technical nature;
- Contributions to retirement pension or insurance schemes that do not originate from legal regulations, collective bargaining agreements or establishment agreements and which affect more than half of an establishment's staff;
- Borrowings, loans, credits, advances, subsidies in excess of 1,000,000 euros and debt write-offs regardless of the amounts involved in such operations;
- Unbudgeted rental or leasing for which the annual rent exceeds 1,000,000 euros and/or for which the duration is more than 3 years;
- Conclusion of any contract, agreement, commitment (i) which exceeds 1,000,000 euros, excluding any contract for the purchase or sale of raw materials or secondary raw materials entered into by the Company in its own name or as sales agent for a Group subsidiary, or (ii) whose purpose exceeds usual business practice and whose firm term is equal to or greater than 5 years and any strategic research, study or service contract exceeding usual business practice;
- Definition of the Group's long and medium-term strategy, approval of annual budgets and in-year budget adjustments;
- Decisions concerning the Group's strategy and changes in the Company's organizational structures or which have major consequences for one or more of the Group's business segments;
- Any significant transaction outside the Group's announced strategy or likely to have a significant impact on the Group's strategy or to significantly modify its financial structure or results;
- Decisions to start up new activities within the scope of the corporate purpose, or to abandon existing activities;
- Selection of managers and directors of subsidiaries and affiliates;
- Legal actions initiated by the Company that could have a significant impact on the Group's image or results;
- Out-of-court settlements or settlements, waiver of rights of recourse when the amounts at stake exceed 100,000 euros.
- Publication of significant public information.



3. OPERATION OF THE BOARD

3.1 Convocation

The Board of Directors meets when convened by its Chairman, as often as required in the interests of the Company. The meeting is held at the Company's registered office, or at any other place mentioned in the notice of meeting.

However, (i) when it has not met 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 on an agenda determined by those directors, (ii) and when the Chief Executive Officer does not act as Chairman of the Board of Directors, the Chief Executive Officer may ask the Chairman to call a meeting of the Board of Directors on an agenda determined in that request.

The Chairman shall be bound by the requests addressed to him pursuant to the preceding paragraph.

Notices of meetings are made by letter or e-mail outside France, or verbally if all directors agree. They must be sent at least five calendar days before the meeting, unless the Chairman considers that the urgency of the meeting requires a shorter notice period.

3.2 Information of the directors

The Chairman ensures that the documents, technical files and information relating to the agenda are communicated to the directors by mail, e-mail or via a secure computer platform, within a reasonable period of time, determined according to the items on the agenda, of approximately four calendar days prior to the meeting:

- the draft minutes of the previous meeting of the Board of Directors,
- the draft resolutions to be submitted to the next meeting of the Board of Directors,
- documents to inform the vote when presenting decisions to the Board of Directors,
- the internal management documents used to monitor the financial performance and technical operations of the Company and the Group.

In addition, the Chairman keeps the directors regularly informed between meetings of any events and information that could have an impact on the Company's financial position, cash position and commitments, when warranted by the Company's current events.

Directors are able to assess for themselves whether the information provided has been sufficient at each Board meeting and during its annual self-assessment, and to request any additional information they consider useful.

The Board of Directors may be assisted by any outside counsel at meetings (lawyers, consultants, etc.) if this appears necessary.

At the request of any director, the Chairman organizes any additional training on the specific features of the company, its businesses and sectors of activity.

3.3 Representation

Any director may be represented by another director at a meeting of the Board of Directors, under the conditions and within the limits set by law.

3.4 Voting majority

Decisions are taken by a simple majority of the votes of the members present or represented, each director having one vote on his own, and possibly the vote of only one principal. The Chairman of the Board of Directors has a casting vote in the event of a tie.

3.5 Quorum – Videoconference and telecommunication

In accordance with legal and regulatory provisions (Article L.225-37 of the French Commercial Code and Decree no. 2006-1566 of December 11, 2006), for the purpose of calculating the quorum and majority, Directors who participate in the Board of Directors' meeting by videoconference or telecommunications means that enable them to be identified and guarantee their effective participation are deemed to be present.

In accordance with legal and regulatory provisions, this possibility of participation by videoconference or any other means of telecommunication is not applicable for the preparation of the annual financial statements, the consolidated financial statements and the preparation of the management report and the group management report.

The minutes of the meeting of the Board of Directors shall indicate the names of the directors present, represented, absent or excused, the names of the directors attending the meeting by videoconference or any other means of telecommunication, as well as the presence or absence of the persons called to the meeting by virtue of a legal provision, and the presence of any other person.

The minutes also record, if applicable, the occurrence of any technical incident that would have disrupted the meeting, in particular when such incident interrupted the proceedings or did not permit their continuation and closure with all participants. In the event of such an incident, a new decision will be taken on the points dealt with, after the disruption or interruption of the transmission.

The means of videoconferencing and telecommunications must at least transmit voice and meet the technical characteristics that guarantee effective participation in the Council meeting, whose deliberations will be retransmitted continuously and simultaneously.

The use of this means of participation in a Council meeting will only be allowed if its technical characteristics allow :

- a continuous and simultaneous transmission of the deliberations,
- the individualization of each participating director,
- and the individualization of any other person whose presence is justified by a legal provision, as well as any other person participating in the session in whole or in part.

4. FUNCTIONS AND DUTIES OF THE COMMITTEES OF THE BOARD

The Board of Directors sets up one or more specialized committees, whose membership and terms of reference it determines, to prepare certain resolutions of the Board of Directors by submitting their opinions, recommendations or proposals.

The creation of specialized committees must not, however, relieve the Board of its powers or lead to the break-up of its college, which remains collectively responsible for the performance of its duties.

The Chairman of each committee reports to the Board of Directors on its work, opinions, proposals and recommendations, and a description of the committees' activities is included in the Annual Report.

4.1 Audit Committee

The Audit Committee is responsible for the following tasks, which are described in detail in the Terms of Reference of the Audit Committee:

- monitor the process of preparing and controlling accounting and financial information and, where appropriate, make recommendations to ensure its integrity;
- monitor the effectiveness of the internal control and risk management systems and, where applicable, the internal audit department, with respect to procedures relating to the preparation and processing of accounting and financial information, without compromising its independence;
- issue a recommendation on the statutory auditors proposed for appointment by the shareholders' meeting. This recommendation to the Board of Directors is prepared in accordance with the provisions of the French Commercial Code. It also issues a recommendation to the Board of Directors when the renewal of the term of office of the statutory auditor(s) is being considered;
- monitor the performance of the statutory auditors in the performance of their assignment. Where appropriate, it takes into account the findings and conclusions of the High Council of Statutory Auditors following audits carried out in accordance with the law;
- ensure that the statutory auditors comply with the conditions of independence defined by law. Where applicable, it takes the necessary steps to comply with the rules governing audit fees and ensures compliance with the legal requirements concerning preparation for the statutory audit and assessment of the risks affecting the independence of the statutory auditors;
- approve the provision of services other than the certification of the accounts mentioned in Article 822-11-2 of the French Commercial Code.

4.2 Remuneration and Nomination Committee

The Compensation and Nominating Committee is responsible for the following tasks, which are described in detail in the Committee's Terms of Reference:

- reviewing and determining all components of the compensation of each of the Company's executive directors, i.e., the Chairman, Chief Executive Officer and Chief Financial Officer, as well as the directors of the Company's main operating subsidiaries or heads of business units (hereinafter, the "**Executive Group**"), as defined by the Board of Directors;
- setting the objectives of each performance-related compensation program established by the Company;
- ensuring that the contractual terms concerning the termination of contracts and any payments made are fair to both the employee concerned and the Company, that default or failure to perform is not rewarded, and that the duty to minimize loss is fully recognized;
- the study and determination of the other provisions of service contracts entered into by the Executive Group (in particular the duration and any notice periods);
- managing all aspects of each equity incentive program established or to be established by the Company, including but not limited to (subject, however, to the rules of such program as well as applicable legal and stock exchange requirements):
 - the selection of eligible directors and employees of the Company and its subsidiaries to whom stock awards and/or options are to be granted;
 - the periodicity of the grants;

- the number of shares on which bonuses and/or options are to be granted ;
- the exercise price at which the options are to be granted;
- the conduct of the process for the appointment of persons to the Board of Directors and the submission to the Board of Directors of its recommendations concerning :
 - succession planning for executive and non-executive directors, and the key roles of the Chairman and the Chief Executive Officer ;
 - the list of candidates with the best profile for the position of independent director;
 - the appointment of each of the non-executive directors at the end of the relevant term of office;
 - the process and procedures for the annual assessments of the performance of the Board, its committees and individual directors;
 - matters relating to the reappointment of a director at any time;
 - the appointment of a director to an executive or other management position, with the exception of the positions of Chairman and Chief Executive Officer.

5. ASSESSMENT OF THE BOARD

The Board assesses its ability to meet the expectations of shareholders by annually reviewing its composition, organization and operation with the objectives of:

- (i) reviewing the Board's operating procedures,
- (ii) ensuring that important issues are properly prepared and discussed,
- (iii) questioning the proper functioning of governance within the Corporation.

Each year, the agenda for the last meeting of the Board of Directors includes an item on the assessment of the composition, organization and operation of the Board of Directors and its Committees, based on any recommendations made by the Compensation and Appointments Committee. The Board of Directors informs shareholders of the results of this evaluation in the annual report.

On the recommendation of the Remuneration and Nomination Committee, the non-executive directors (neither executive directors nor employees) meet periodically and at least once a year, without the presence of the internal directors, if any, to assess the performance of the Chairman and Chief Executive Officer or the Chairman and Chief Executive Officer, in the event of separation of these functions.