



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 ORDINARY GENERAL MEETING OF JUNE 16, 2021 ON DRAFT RESOLUTIONS

Ladies and Gentlemen Shareholders,

We have called this General Meeting to report to you on the activities of Recylex S.A. (hereinafter the "Company") and its subsidiaries during the financial year beginning January 1, 2020 and ending December 31, 2020, and to submit for your approval the Company's annual and consolidated financial statements for this financial 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 of a director,
- the renewal of the term of office of a director,
- the approval of the information relating to the compensation of corporate officers referred to in article L. 22-10-9 I of the French Commercial Code,
- the approval of the fixed, variable and exceptional components of the global compensation and benefits of any kind paid during the financial year ending December 31, 2020 or granted for the same financial year to Mr. Sebastian RUDOW in his capacity as Chairman and Chief Executive Officer,
- the approval of the compensation policy for the Chairman of the Board of Directors for the financial year 2021,
- the approval of the compensation policy for the Chief Executive Officer for the financial year 2021, and
- the approval of the compensation policy for the Directors for the financial year 2021.

The activity of the Company and its subsidiaries during the financial year ended December 31, 2019, as well as the progress of corporate affairs since the beginning of the current financial 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.

I. APPROVAL OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS - APPROPRIATION OF LOSS (FIRST, SECOND AND THIRD RESOLUTIONS)

The Board of Directors proposes to the General Meeting to approve the annual and consolidated financial statements for the financial year ended December 31, 2020 as approved by the Board of Directors, and, in view of the loss for the financial year ending December 31, 2020, which amounts to 12,136,766.68 euros, to allocate the entire loss of 12,136,766.68 euros to the "retained earnings" account, the balance of which, after allocation, would show a debit amount of 68,811,523.19 euros.

In accordance with legal provisions, the Board of Directors proposes to the General Meeting of Shareholders to 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 23,059 euros for the year ended December 31, 2020.

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 to the General Meeting to acknowledge, to approve and, as the case may be, to ratify the conclusions of the special report of the statutory auditors on the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and the agreements mentioned in this report. These agreements were entered into during the financial year ended December 31, 2020 or after this date and up until the meeting of the Board of Directors during which the financial statements for the year ended December 31, 2020 have been approved.

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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It is reminded that, 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 MR. THOMAS HÜSER AS DIRECTOR (FIFTH RESOLUTION)

The Board of Directors proposes to the General Meeting to ratify the cooptation by the Board of Directors at its meeting on February 25, 2021 of Mr. Thomas HÜSER as Director, as a replacement of Mr. Sebastian RUDOW.

Born in 1971 in Gladbeck, Germany, Mr. Thomas HÜSER studied History, Political science and Philosophy at the University of Essen and University of Berlin. After a period teaching as a university professor, he held positions with various associations in Germany, including the VDV (professional footballers' association) and Initiativkreis Ruhr, an influential industrial association. In 2004, he founded his own public relations agency and advised well-known companies in the industry, materials, energy and logistics sectors.

Mr. Thomas HÜSER is an expert in Economics and Public affairs, with extensive experience in the industry and energy sectors.

IV. RENEWAL OF MR. JEAN-PIERRE THOMAS' TERM OF OFFICE AS DIRECTOR (SIXTH RESOLUTION)

The Board of Directors proposes to the General Meeting to renew the term of office of Mr. Jean-Pierre THOMAS as Director, which will expire during the financial year 2021, 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 December 31, 2023.

Mr. Jean-Pierre THOMAS is a Director of the Company since May 12, 2009.

More information on Mr. Jean-Pierre THOMAS can be found in Section 2.9 of the Management Report of the Board of Directors.

V. APPROVAL OF THE INFORMATION RELATING TO THE COMPENSATION OF CORPORATE OFFICERS MENTIONED IN ARTICLE L.22-10-9 I OF THE FRENCH COMMERCIAL CODE (SEVENTH RESOLUTION)

The seventh resolution pertains to the information referred to in I of Article L. 22-10-9 of the French Commercial Code, pursuant to Article L. 22-10-34, I of the French Commercial Code, i.e., the information relating to the compensation paid during the financial year ended December 31, 2020 or granted for the same financial year to corporate officers, as mentioned in Section 2.9 of the Company's management report entitled "Corporate Governance Report", including corporate officers whose term of office has expired and those newly appointed.

VI. APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE GLOBAL COMPENSATION AND BENEFITS OF ANY KIND PAID DURING THE FINANCIAL YEAR ENDING ON DECEMBER 31, 2020 OR GRANTED FOR THE SAME FINANCIAL YEAR TO MR. SEBASTIAN RUDOW, IN HIS CAPACITY AS CHAIRMAN AND CHIEF EXECUTIVE OFFICER (EIGHTH RESOLUTION)

The Board of Directors proposes that the General Meeting approve the fixed, variable and exceptional components of the total compensation and benefits of any kind paid during financial year 2020 or granted for the same financial year to Mr. Sebastian RUDOW in his capacity as Chairman and Chief Executive Officer, pursuant to Article L.22-10-34, II of the French Commercial Code.

Mr. Sebastian RUDOW's compensation for financial year 2020 complies with the compensation policy for the Chairman and Chief Executive Officer approved by the General Meeting on July 29, 2020 (13th resolution).

- a) The fixed portion of Mr. Sebastian RUDOW's gross annual remuneration in his role as Recylex S.A.'s Chief Executive Officer in respect of FY 2020 was set at a gross amount of €230,000.
- b) At its meeting of February 25, 2021, the Company's Board of Directors decided, on the recommendation of the Remuneration and Nomination Committee and, in accordance with the remuneration policy approved at the General Meeting of July 29, 2020 (resolution no. 12) to set Mr. Sebastian RUDOW's variable remuneration in his role as Chief Executive Officer of Recylex S.A. in respect of FY 2020 at €250,000 (i.e., 108% of his fixed remuneration) linked to achievement of the following criteria: (i) management of the SARS-CoV-2 pandemic effects, and (ii) progress back towards profitability for the Company and the Group, by continuing its restructuring.

- c) Ancillary benefits in kind: Sebastian RUDOW in his capacity as Recylex S.A.'s Chief Executive Officer benefits from the personal protection and health insurance plan covering Recylex S.A.'s employees.
- d) Post-employment benefit obligations:
 - Mr. Sebastian RUDOW in his capacity as Chief Executive Officer of Recylex S.A. benefits, like all employees, from compulsory pensions and is not covered by Recylex S.A.'s supplementary pension plan in the form of a group retirement savings plan or of a compulsory defined-contribution group pension plan under the regime set out in Article 83 of the General Taxation Code.
 - Mr. Sebastian RUDOW does not qualify in his capacity as Chief Executive Officer for payments under termination of duties or no-compete clauses.
- e) During FY 2020, Mr. Sebastian RUDOW received €20,000 in respect of his duties as a director and €20,000 in respect of his duties as Chairman of the Board of Directors.

Details of the compensation paid to Mr. Sebastian RUDOW in financial year 2020 or awarded in respect of the same financial year are set out in section 2.9 of the Company's management report, presented together with this report to the General Meeting, entitled "Corporate Governance Report" and referred to in the last paragraph of Article L. 225-37 of the French Commercial Code.

VII. APPROVAL OF THE COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2021 (NINTH RESOLUTION)

The Board of Directors proposes that the General Meeting approve the compensation policy for the Chairman of the Board of Directors for the 2021 financial year, in accordance with Article L. 22-10-8 of the French Commercial Code.

The principles underlying the determination of the compensation package for the Chairman of the Board of Directors for financial year 2021 are set out in section 2.9 of the Company's management report, presented together with this report to the General Meeting, entitled "Corporate Governance Report" and referred to in the last paragraph of Article L. 225-37 of the Commercial Code.

VIII. APPROVAL OF THE COMPENSATION POLICY FOR THE CHIEF EXECUTIVE OFFICER FOR THE FINANCIAL YEAR 2021 (TENTH RESOLUTION)

The Board of Directors proposes that the General Meeting approve the compensation policy for the Chief Executive Officer for the 2021 financial year, in accordance with Article L. 22-10-8 of the French Commercial Code.

The principles underlying the determination of the compensation package for the Chief Executive Officer for financial year 2021 are set out in section 2.9 of the Company's management report, presented together with this report to the General Meeting, entitled "Corporate Governance Report" and referred to in the last paragraph of Article L. 225-37 of the Commercial Code.

IX. APPROVAL OF THE COMPENSATION POLICY FOR DIRECTORS FOR THE FINANCIAL YEAR 2021 (ELEVENTH RESOLUTION)

The Board of Directors proposes that the General Meeting approve the compensation policy for the Directors for the 2021 financial year, in accordance with Article L. 22-10-8 of the French Commercial Code.

The principles underlying the determination of the compensation package for the Directors for financial year 2021 are set out in section 2.9 of the Company's management report, presented together with this report to the General Meeting, entitled "Corporate Governance Report" and referred to in the last paragraph of Article L. 225-37 of the Commercial Code.

X. POWERS TO COMPLETE THE FORMALITIES (TWELFTH RESOLUTION)

Finally, it is proposed 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 and regulations 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