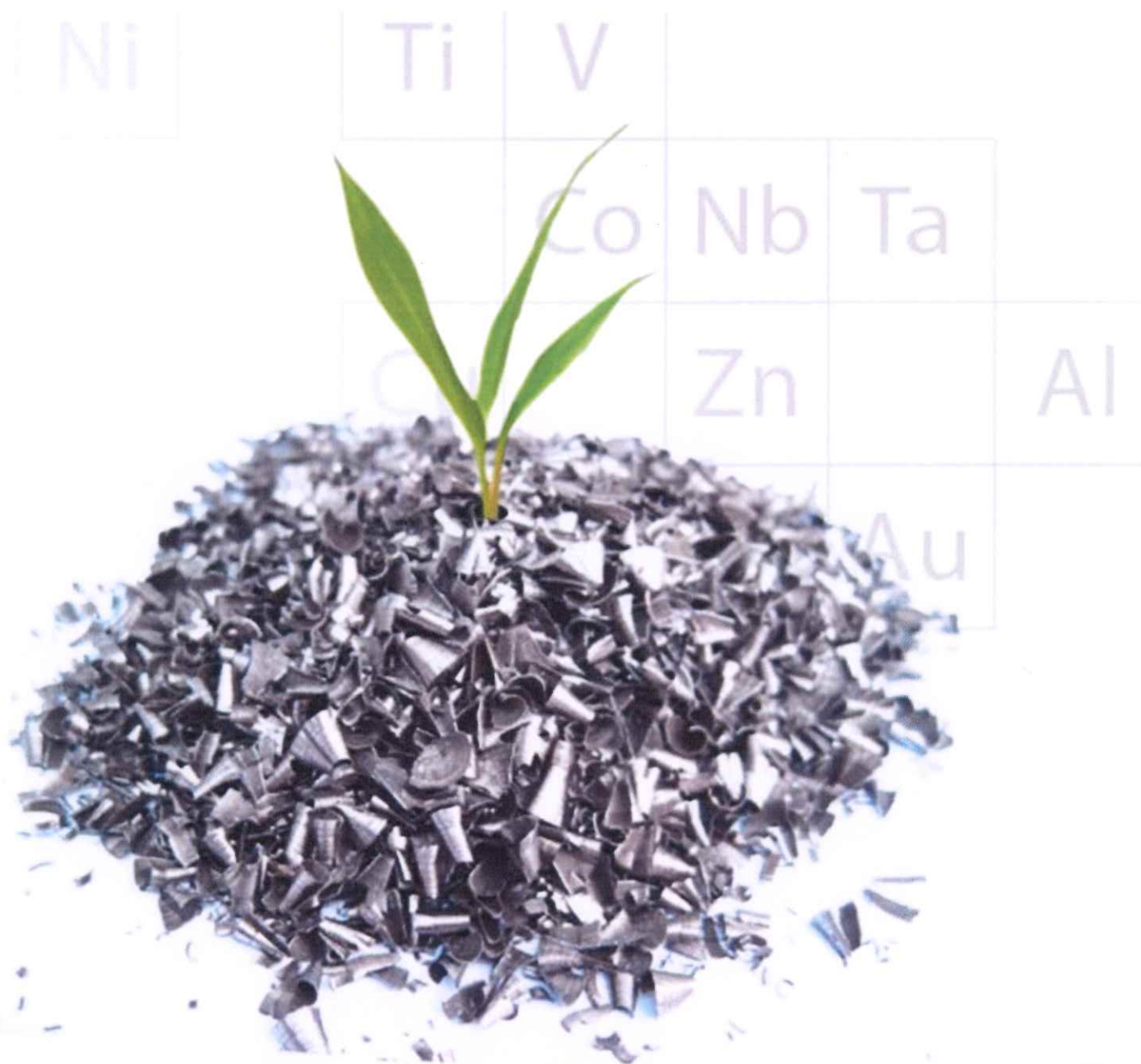


REGULATORY COMPLIANCE POLICY



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Company background

RECYMET SYSTEMS, S.L. is a waste management company that recovers, recycles and markets scrap industrial specialty metals in all formats and physical states. RECYMET SYSTEMS, S.L. is highly specialised in recovering specialty metals, such that it purchases industrial waste and reuses its qualities and content to the highest degree possible.

RECYMET SYSTEMS, S.L. is part of a group of companies, the parent company being Q-MELTED, S.L. and its subsidiaries: RECYMET SYSTEMS, S.L., RECY INVESTMENTS, S.L. and TITANIUM-ALLOYS, S.L.

Head and regional offices:

- Head office in Barcelona, Spain
 - ✓ C/ Puig i Cadafalch, 11-15, Polígono Industrial Rubí-Su 08191 Rubí (Barcelona) SPAIN
- Regional office in Bilbao, Spain
 - ✓ Barrio Boroa Polígono Industrial Arriagane, 48340 Amorebieta (Bizkaia) SPAIN
- Regional office in Madrid, Spain
 - ✓ C/ Urogallos 15, Polígono Industrial El Cascajal 28320 Pinto (Madrid) SPAIN

RECYMET SYSTEMS, S.L. is aware that its corporate responsibility must be supported by business ethics in all decision-making processes, which in practice must mean strict compliance with the current applicable regulations, creating in turn a culture of regulatory compliance.

RECYMET SYSTEMS, S.L. is a Gold Member of the Bureau of International Recycling (BIR), which represents more than 760 associated private sector companies and 36 national associations from more than 70 countries. Together, its members make up the largest recycling industry association in the world.

The association provides its members with a very dynamic forum where they can share their knowledge and experience. It serves as a platform where successful business relationships can be established and promotes recycling in other industrial sectors, as well as among policymakers.

RECYMET SYSTEMS, S.L. is also part of other associations, such as the national Federación Española del Reciclaje (*Spanish Federation of Recycling - FER*) and the regional Gremi de Recuperació de Catalunya (*Recycling Guild of Catalonia*).

It should be noted that the BIR has a code of conduct to which RECYMET SYSTEMS, S.L. is subject.

Objective and subjective scope of the regulatory compliance management policy

The governing body of RECYMET SYSTEMS, S.L. is responsible for formulating the strategy and approving the corporate policies of the Company, as well as organising internal control systems. In the exercise of these responsibilities and in keeping with its culture of respect for legal order, this Policy is issued for the prevention of crimes that are susceptible to being imputed to the organisation.

With the entry into force of Constitutional Law 5/2010 of 22 June, on the reform of the Criminal Code, the criminal liability of legal entities was introduced in Spain. Likewise, with the entry into force of Law 1/2015 on the reform of the Criminal Code, the system for the liability of legal entities was completed, setting the fundamental bases on which regulatory compliance management systems should be constituted.

To this end, this policy aims to capture the organisation's commitment to adopting, implementing, maintaining and continuously improving its regulatory compliance management system.

"Regulatory compliance management system" means any internal control mechanism implemented by the company to detect and prevent criminal behaviour. Thus, regulatory compliance is a set of rules of an internal nature, established at the company by the managerial body and/or the supervision, monitoring and control body, in order to implement at the company a suitable model of organisation and management to avoid the risk of crimes being committed and exempt the company and, where appropriate, the managerial body from criminal liability for crimes committed by its managers and employees.

Its main function is to implement within the business organisation the principles of ethics and conduct which create and consolidate at the company a culture of respect for legality and good practice.

Thus, the implementation of a regulatory compliance management system is intended to create a barrier which prevents, or at least reduces, any criminal liability being held by the company for crimes committed by managers and employees.

In this regard, the crimes for which liability can be held by the legal entity are, according to current legislation, the following:

1. Unlawful access to computer data or programs (article 197.3).
2. Swindling (article 251 bis).
3. Punishable insolvency (article 261 bis).
4. Computer damages (article 264.4).
5. Crimes against intellectual and industrial property, against the market or consumers (article 288).
6. Money laundering and associated activities (article 302.2).
7. Crimes against the Treasury and Social Security (article 310 bis).
8. Crimes against the rights of foreign citizens (article 318 bis.4).
9. Crimes against land-use planning and town planning (article 319.4).
10. Crimes against natural resources and the environment (article 327).
11. Dumping of substances harmful to the environment (article 328.6).
12. Pollution or exposure to ionising radiation (article 343.3).
13. Crimes of risk caused by explosives and other agents (article 348.3).
14. Drug trafficking (article 369 bis).
15. Forgery of credit and debit cards and traveller's cheques (article 399 bis.1).
16. Bribery (article 427 bis).
17. Influence peddling (article 430).
18. Crimes of corruption in international commercial transactions (article 445.2).
19. Criminal organisations and groups (article 570 quater. 1).
20. Financing of terrorism (article 576 bis. 3).
21. Smuggling (article 2.6 of Constitutional Law 6/2011, of 30 June).

The regulatory compliance management system applies to RECYMET SYSTEMS, S.L. and all the companies controlled by it, directly or indirectly, where there is considered to be "control" when this is stipulated in the applicable regulations for each company.

At those companies which RECYMET SYSTEMS, S.L., does not control, its representatives in their Governing Bodies will push, insofar as possible, for the adoption of a regulatory compliance system consistent with that of RECYMET SYSTEMS, S.L.

For the implementation of this crime prevention Policy, the RECYMET SYSTEMS, S.L. compliance officer has set up a system for the prevention of crimes that takes the form of various protocols of action and supervision.

This system applies to the entire Organisation of RECYMET SYSTEMS, S.L., particularly: the members of the Governing Bodies, Senior Management, its Employees and, as appropriate, any other Interested Party.

The meanings of capitalised terms used in this document that are not expressly defined within it, are those given by the Spanish UNE Standard 19601 on "Regulatory Compliance Management Systems".

Leadership and commitment

Leadership is a behavioural premise implying that the leaders of the organisation understand the regulatory compliance management system as something more than a set of inter-related elements; that is, it is understood to be the correct implementation and fulfilment of the objectives in terms of regulatory compliance, and the leaders assume the role of imposing it and ensuring that it works successfully, and fostering a suitable compliance culture within the organisation.

Such a culture comes as the consequence of leadership and commitment, the visible and consistent willingness and commitment of the organisation's leaders over time, with a common standard of behaviour, all of which supports the regulatory compliance policy and ensures its objectives successfully.

The leaders of the organisation are the following:

- ✓ The governing body;
- ✓ Senior management; and
- ✓ The regulatory compliance body.

Responsibilities of the regulatory compliance body

a) The regulatory compliance body, working together with the management, should be responsible for:

- 1) Promoting and continuously monitoring the implementation and effectiveness of the regulatory compliance management system in the different areas of the organisation;
- 2) Ensuring that all members of the organisation, especially senior ones, are provided with the necessary training on a regular basis so that they understand the importance of the regulatory compliance management system and enable its operation in the performance of their daily work;
- 3) Promoting the inclusion of responsibilities for matters of regulatory compliance among the duties of the different job descriptions to enable the correct operation of the system;
- 4) Keeping all documents related to regulatory compliance that are classed as documented information according to the definition given by the UNE 19601 in order to demonstrate the actions taken and substantiate the reason for making decisions related to the subject matter of this system;
- 5) Ensuring that the organisation has a **whistleblowing channel** which allows the handling of reports made by members of the organisation, as well as business partners, in relation to breaches of the regulatory compliance management system.

Likewise, it must inform and make all members of the organisation aware of their **duty to report** acts that are considered criminal or are covered by the management system.

For members of the organisation, RECYMET SYSTEMS, S.L. has set up an anonymous online whistleblowing channel. This portal is accessed via www.ovetauki.com, using access codes that have been provided previously in one of two ways, depending on whether the members have provided an email address or not:

- Those providing an email address have been sent a personalised email containing the access codes, with an instruction manual for using the whistleblowing channel attached.

- Those without email have been provided with the access codes in a sealed envelope, as well as the instruction manual for using the whistleblowing channel, for which they had to sign to acknowledge receipt.

For business partners, the organisation took the decision to set up a confidential whistleblowing channel, by making an email address available specifically for this purpose (compliance@recymet.com), which can be found on the organisation's website: www.recymet.com.

Additionally, the organisation must **investigate** the whistleblowing report in question and manage it, making the result of it known to the governing body so that it may take the decision it considers appropriate;

- 6) Establishing and applying regulatory compliance performance indicators;
- 7) Analysing performance to identify the need for corrective actions;
- 8) Identifying and managing regulatory risks;
- 9) Ensuring that the regulatory compliance system is reviewed in accordance with the planning established in this regard;
- 10) Ensuring that members of the organisation are given access to compliance resources so that they can carry out their work in compliance with this system;
- 11) Informing the governing body about the outcomes resulting from the application of the regulatory compliance management system.

b) When responsibilities are assigned, consideration should be given to how to ensure that the regulatory compliance body has no conflicts of interest and has demonstrated:

- ✓ *Integrity and commitment to regulatory compliance;*
- ✓ *Effective communication skills and ability to influence;*
- ✓ *Capability and prestige such that its advice and guidelines are accepted;*
- ✓ *The necessary competence.*

c) The regulatory compliance body must personify the position of maximum guarantor for supervising, monitoring and controlling the compliance obligations at the organisation. For this purpose, it must have authority, independence and resources, as well as personnel with adequate skills.

d) The regulatory compliance body must have direct and immediate access to the governing body in the event of it being necessary to raise cases of acts or conduct suspected of incurring criminal liability or matters related to regulatory compliance issues – in the terms stated in the regulatory compliance policy, as well as in other documents that form part of the regulatory compliance management system.

e) The regulatory compliance body must occupy a position in the organisation that accredits it to request and receive the full cooperation of its other bodies.

Likewise, the regulatory compliance body must:

- ✓ Contribute to the identification of obligations of regulatory compliance, with the support of the necessary resources, as well as collaborating on ensuring that those obligations are reflected in viable policies, procedures and processes;
- ✓ Collaborate on ensuring that the obligations derived from regulatory compliance are integrated into the policies, procedures and processes already existing at the organisation;
- ✓ Ensure that there is access to adequate professional advice for adopting, implementing, maintaining and continuously improving the compliance management system; and
- ✓ Provide objective advice to the organisation on matters related to compliance.

Resources

The governing body is committed to ensuring that the regulatory compliance body has the necessary material and human resources to monitor the operation and fulfilment of this crime prevention Policy in an effective and proactive manner, without prejudice to the corresponding responsibilities of the company's other bodies and management teams and, where appropriate, those of the administrative and managerial bodies of the companies that make up the group.

Principles applicable to the regulatory compliance management system

This policy is governed by the following principles:

- a)** To integrate and coordinate the course of action necessary to prevent and fight the possible committing of unlawful acts by any person at the company.
- b)** To make available to the members of the organisation a whistleblowing channel that allows them to report behaviour which may imply a breach of the system.
- c)** To act, at all times, under the protection of current legislation and within the framework established by the Code of Ethics, in compliance with the Company's internal regulations.
- d)** To promote a preventive culture based on the principle of "zero tolerance" towards the committing of unlawful acts and in applying the principles of ethics and responsible behaviour among all company personnel.
- e)** Within the promotion of this preventive culture, to encourage employees and managers to follow processes of self-assessment and control in both actions and decision making, such that any action by a person at the company is based on four basic premises: *(i) that it is ethically acceptable, (ii) that it is legally valid, (iii) that it is desirable to the Company and (iv) that the person is willing to take responsibility for it.*
- f)** To ensure that the compliance body has the necessary material and human resources to monitor the operation and fulfilment of this crime prevention Policy in an effective and proactive manner.
- g)** Risk assessment and control activities. The identification of work areas in which crimes may be committed is a duty of the regulatory compliance body and of those people responsible for the processes within the Organisation.

Control activities consist of protocols that specify training processes related to willingness on the part of members of the organisation, their adopting the decisions and putting them into practice, as materialised, supervised and documented by those responsible for the operational processes.

The risk scenarios identified and the control activities are shown in a risk matrix. The compliance body is responsible for supervising the application of the matrix and ensuring its suitability.

- h)** To keep the emphasis on proactive activities, such as prevention and detection, rather than reactive activities, such as investigation and punishment.
- i)** To investigate any report of alleged criminal acts ensuring the anonymity of the whistleblower. Likewise, the company will provide all the assistance and cooperation that may be required by judicial and administrative bodies or institutions, either national or international, for the investigation of alleged criminal acts that may have been committed by its personnel.
- j)** To seek a fair, non-discriminatory and proportional application of sanctions, in accordance with the provisions of the applicable legislation at all times.
- k)** To notify all company personnel of their duty to report any act constituting a possible criminal offence of which they are aware through the channels set up for this purpose.
- l)** To implement adequate training for company personnel with sufficient frequency to ensure that their knowledge in this area is up-to-date.
- m)** To employ disciplinary sanctions, in accordance with what is established in the applicable legislation at all times, for any conduct that helps to prevent or hinder the discovery of crimes, as well as the violation of the specific duty to notify the control bodies of any breaches that may have been detected

Control, assessment and review

a) Control

It is the duty of the compliance body to control the implementation, putting into practice and fulfilment of the regulatory compliance management system.

b) Assessment

At least once a year, the compliance body will assess the fulfilment and effectiveness of the compliance management system for crime prevention and, in all cases, when significant breaches of the system are revealed or when changes occur in the organisation, in the control structure or in the work carried out by the company, it will assess the advisability of its modification.

c) Review

The compliance body will periodically review the Regulatory Compliance Policy and propose to the governing body any modifications and updates that may contribute to its development and continuous improvement, taking into account, where appropriate, the suggestions and proposals made by the Group's personnel.

Approval of the regulatory compliance policy

This regulatory compliance policy is a high-level document which must be approved by the governing body.

The governing body of RECYMET SYSTEMS, S.L. approves this policy on 14 February 2019.



Joaquim Mª Sindreu i Miralles