

TO WHOM IT MAY CONCERN

Oslo, 28 April 2016

REVIEW OF NORSK GJENVINNING'S COMPLIANCE PROGRAMME

BDO AS (BDO) was engaged by Norsk Gjenvinning Norge AS (Norsk Gjenvinning) on 5 January 2016 to perform a review of Norsk Gjenvinning's compliance programme. The programme has been developed and implemented in order to reduce the risk of environmental and financial crime, including corruption, anti-competitive practices etc.

BDO's review is not a regular audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements and, consequently, no assurance is expressed.

In addition to this document, BDO has produced a report for Norsk Gjenvinning's internal use which describes BDO's work and the results of the work. This document is regarded as a short version of the full report. The Letter of Engagement between BDO and Norsk Gjenvinning regulates the applicable terms and conditions, also those towards third parties, including that the maximum amount of liability agreed applies collectively to all persons and companies which receive this document.

Conclusion

On the basis of the review, we believe that Norsk Gjenvinning's compliance programme, including the documentation of the programme, is proportionate, adequate and in accordance with BDO's understanding of 'best practice' for a compliance programme.

Some minor areas for improvement for Norsk Gjenvinning's compliance programme have been identified. Norsk Gjenvinning has prepared an action plan based upon BDO's recommendations.

Our observations, with suggestions for improvements, are summarised below.

Observations

Norsk Gjenvinning has a clear focus on risk generally, and in particular a focus on the prevention of environmental and financial crime. Norsk Gjenvinning has an overall and comprehensive approach to the prevention, detection and management of environmental and financial crime. The Chief Compliance Officer has operational responsibility for Norsk Gjenvinning's compliance programme.

Norsk Gjenvinning has its own guidelines for employees and also adheres to the recycling industry's Code of Conduct. There are also procedures in place for whistleblowing. The whistleblowing channel is open for both internal and external users. BDO has suggested that the guidelines and information on the whistleblowing channel is translated to all relevant languages, and that Norsk Gjenvinning establishes a whistleblowing channel that is operated by an external party.

Norsk Gjenvinning has in place written procedures for risk assessment which describe the roles and responsibilities etc. related to the performance of risk assessments. The risk assessments are performed quarterly by the group's leadership team and a summarised risk profile is reviewed by the Board of Directors on an annual basis.

There is a clear focus on internal control, including the prevention and detection of environmental and financial crime, amongst other things through segregation of duties, procedures, controller functions, procedures for end-of-period accounting, and the performance of background checks. The internal



controls are based upon risk profiles, and the relationship between risk and the established controls is documented in a separate quality management system.

Norsk Gjenvinning has developed its own procedures for training. Training is systematised through «NG-school», which is Norsk Gjenvinning's channel for relevant training and competence enhancement. Courses are arranged in the prevention of corruption for managers and employees with extensive contact with Norsk Gjenvinning's business partners. In addition, courses are held in health and safety, employment rights, waste regulations, export regulations, hazardous waste and competitive behaviour. BDO has recommended that Norsk Gjenvinning ensures that compliance and ethics are included as mandatory training for all employees.

About BDO's engagement

BDO's engagement is to assess the extent to which Norsk Gjenvinning's compliance programme, including documentation of the programme, is consistent with BDO's understanding of 'best practice'.

BDO's understanding of 'best practice' is documented in BDO's own framework, whose structure is based upon COSOs framework for internal control and other established 'best practice' in this area. These sources include, amongst others, the Association of Certified Fraud Examiners, the Norwegian Association of Internal Auditors, ØKOKRIM, the UK Ministry of Justice, the U.S. Department of Justice and Securities and Exchange Commission, as well as British Standard 10500 and the draft of ISO 37001 «Anti-bribery management systems».

The central elements in the framework are control environment, risk assessment, control activities, information and communication, as well as continuous monitoring and improvement measures. It should be noted that BDO's engagement is not an assessment of Norsk Gjenvinning's compliance programme compared with the established practices of peers in the same industry, rather it is an assessment of Norsk Gjenvinning's compliance programme against general 'best practice' for compliance programmes.

BDO's review does not constitute a system evaluation and the objective of the engagement is not to identify any individual cases and/or systematic cases of non-compliance with the compliance programme.

BDO has assessed the relevant guidelines and procedures it has received, as well as performed several interviews. We believe that this work provides a reasonable basis for our conclusions.

BDO's assessment is valid at the time of writing of this report. Any use of this report at an earlier and/or future period may lead to incorrect conclusions being drawn if it is the case that the compliance programme has changed in the meantime. An otherwise effective compliance programme is subject to inherent limitations, which mean that material non-compliance which is not prevented or identified by the program can occur.

BDO AS

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