Hello Sai,

I have looked at the text/documents you have given me and I have the following comments/questions:

**Document 1**

1. Why would Ramasuken go into business with Titan Metal ? Based on what I see they are a competitor. From what I have read, Ramasuken owns equipment which TM does not have, is that right?
2. I understand there is 5000 T/month being sourced through TM, and 10,000 T/Month being sourced mutually/joimtly. I do not understand what this mutual sourcing is? Either it is done by TM or it is done by Ramasuken, how can it be done mutually? Seems a complicated structure and not easy to keep track off.
3. Comments on the first document (see copy below).
   1. If my assumption is right (see point 1 here above), the whole construction seems to be quite complicated. With revenue sharing and cost to be put in, it makes it very complicated.
   2. Why would TM need to expose the revenue for the 5000 tons/month, this information is proprietary and I would not share with a competitor
   3. The 10,000 tons sourced jointly is done over revenue sharing? Not sure I get this logic. See my comments under item 2 here above.

**Document 2**

I would not advise to go into a JV with Ramasuken, experience in the past has proven to me that this will not be successful as both of the companies are in the same industry. The internal discussions will be enormous and not beneficial for TM.

The only good option is nr. 2. Ramasuken operates the shredding and charges a cost for this to TM. In other words Ramasuken is a capacity supplier to TM, they charge a fee per ton and that’s it. No revenue sharing, no price exposures etc. Just a supplier, that’s it.

1st document/text

Revenue Model Overview

1. Overview

- Titan owns the land.

- Ramusaken owns the shredder and pre-shredder.

- Titan will rent the Shredder and Pre-Shredder from Ramusaken.

- Ramusaken will rent the land from Titan for the Shredder operation.

- Total Monthly Quantity being worked on for the Shredder is (15000), 5000 tons supplied by Titan for its own use and 10000 tons sourced jointly

Revenue Components

1. For Titan’s 5,000 Tons, Titan pay usage charges (as rent to Rakusaken) for Equipment Usage to Ramusaken in Input of 5,000 tons.

- Rate: Mutually $ agreed per ton basis (A).

- Total Revenue from Equipment Rental for Ramusaken: 5,000 \* (A)=

\*\*\*TITAN TO CALCULATE THEIR REVENUE FROM THIS STRUCTURE.

- Non-Ferrous & Residue

- All non-ferrous materials and residue from the shredding remain with Titan (no revenue for Ramusaken).

\*\*\*TITAN TO CALCULATE THEIR REVENUE FROM THIS STRUCTURE.

2. For the 10,000 Tons jointly Financed, Sourced

- Input: 10,000 tons processed.

- The total revenue gains from this joint sourcing and financing of 10,000 tons, assuming the total yield from this cargo after processing and removal of approximately 30% impurities is 7000 tons

- 7000 tons \* Margin (B)=

- Revenue from this cargo will be split 50-50:

- Non-Ferrous & Residue- Similarly, the non-ferrous and residue revenue will also be shared 50-50.

- The above 50-50 revenue sharing is being done to OFFSET THE RENT for the land.

\*\*\*TITAN TO CALCULATE THEIR REVENUE FROM THIS STRUCTURE.

3. Cost Considerations-

Titan will cover all Installation, maintenance, manpower, electricity, infrastructure building and all costs related to running the operation.

\*\*\*TITAN TO CALCULATE THEIR OPERATION COST FOR THIS STRUCTURE.

We can discuss the above arrangement further tomorrow.🙏🏼

2nd document/text

In legal aspect, (i) the rent means the lessor grants the possession right to the lessee, and (ii) an asset could be possessed by only one party at a time save as certain exception. The one who operates the plant should thus have possession right over the land, facilities and machine.

There are three possible structures for this case depending on who will operate the plant:

1. Titan operates the plant:

- Titan leases the machine from Ramukasen and pay the rental therefor (based on either fixed amount or per actual output amount);

- Titan bears all responsibilities and costs in relation to the operation of the plant;

- Each party owns raw materials it sources and the finished products thereof;

- Ramukasen hires Titan to process the shredding.

2. Ramukasen operates the plant:

- Ramukasen leases the land from Titan and pay the rental therefor;

- Ramukasen bears all responsibilities and costs in relation to the operation of the plant;

- Each party owns raw materials it sources and the finished products thereof;

- Titan hires Ramukasen to process the shredding.

3. JV Company operates the plant:

- Titan and Ramukasen jointly establish a new company (“JVC”);

- JVC either purchase or leases the land from Titan (this could be in the form of capital contribution)

- JVC either lease or purchase the machine from Ramukasen (this could be in the form of capital contribution)

- JVC bears all responsibilities and costs in relation to the operation of the plant;

- JVC may play the role of either processing service provider or fully operate with sourcing and sale depending on discussion;

- management of the JVC as well as the exit plan are needed to discussed further.