

MINUTES
of the Annual General Meeting of Shareholders
of AMG Advanced Metallurgical Group NV (the 'Company')
held by telephone conference on Wednesday, May 6, 2020
World Trade Centre (WTC), Amsterdam, The Netherlands

1. Opening

The Chairman: Ladies and gentlemen, I hereby open the Annual General Meeting of Shareholders of AMG Advanced Metallurgical Group N.V. My name is Steve Hanke and I am the Chairman of the Supervisory Board. I would like to extend a warm welcome to all of you who are attending this Annual General Meeting of Shareholders.

I realise that this meeting takes place under special and difficult circumstances due to the Coronavirus pandemic. Since the beginning of this year we all have been affected heavily by the Coronavirus both in our private and business lives. The directions given by the Dutch Government have caused us to organise this meeting as a virtual meeting allowing you as shareholders to participate by listening to the audio webcast. We truly regret that we are not able to meet you in person this year, but we hope to see you in Amsterdam next year.

The members of the Management Board and Supervisory Board, and other participants to the meeting, are all at different locations on different continents which made us decide to have an audio conference only. I am very pleased to introduce you to speakers who will address you during this virtual meeting. First, Dr. Heinz Schimmelbusch, our Chairman of the Management Board and CEO of AMG. Also, Mr Jackson Dunckel, our Chief Financial Officer and Mr. Eric Jackson, our Chief Operating Officer. They are all participating from the United States.

Furthermore, I am pleased to introduce to you my fellow members of the Supervisory Board, Mr. Willem van Hassel, Vice-Chairman of the Supervisory Board and member of the Selection & Appointment Committee is participating from Amsterdam, Dr. Donatella Ceccarelli, Chair of the Audit & Risk Management Committee is participating from Vienna, Mr. Herb Depp, Chairman of the Remuneration Committee is participating from Montana in the United States, Mr. Frank Löhner, member of the Audit & Risk Management Committee is participating from Frankfurt and Ms. Dagmar Bottenbruch, member of the Remuneration Committee is participating from Berlin.

Also present is Mr. Ludo Mees, AMG's General Counsel and Corporate Secretary. He will act as secretary of the meeting. Mr. Mees also participates from Amsterdam.

Also present at this meeting is our Dutch legal advisor, Professor Martin van Olfen of the law firm De Brauw Blackstone Westbroek, who participates from Amsterdam, as well as our external auditor, Mr. Tom van der Heijden of the accounting firm KPMG. He is also participating from Amsterdam. Mr. van der Heijden will provide insight into the auditor's report and his audit activities regarding the Company's 2019 Financial Statements. Further Mr. Johan Scholten of Computershare and Mr. René Clumpkens from Zuidbroek Notarissen are present at this meeting. Mr. Scholten has administered the technicalities in relation to the electronic voting procedure and Mr. Clumpkens has voted on behalf of the shareholders who have issued voting instructions prior to this meeting.

Please be informed that the proceedings of this meeting will be recorded, only for internal purposes and use, and to facilitate the preparation of the minutes of the meeting. The official language of this meeting is English.

Mr. Mees, can you confirm the number of shares represented at this meeting?

Mr. Mees: Thank you Mr. Chairman, there are 6,832,782 shares represented at this meeting, representing 24,01% of the issued share capital that is eligible to vote.

Questions

The Chairman: In connection with the orderly conduct of this meeting, I hereby inform you that as for each specific agenda item, as announced on the website of the Company, only questions that have

been submitted in writing prior to this meeting by shareholders will be answered by the Company. Furthermore, only shareholders who have submitted a question prior to this meeting are allowed to ask a follow-up question during this meeting by using the operator service following the instructions of the operator.

Voting

As explained in the update notice about the Annual Meeting as posted on the Company's website since April 23rd, the voting on all agenda items has been completed prior to this meeting. Shareholders have had the opportunity to use electronic proxy voting and cast their votes online. AMG has used its electronic voting platform administered by ABN Amro as described in more detail in the notice for the 2020 Annual General Meeting.

For each agenda item that is a voting item, the text of the proposal that has been voted on will be shown on the screen. For each voting item we will provide you on screen with information as to how many votes have been cast in favour of the proposal, how many votes have been cast against the proposal and how many votes have abstained from voting. After that I will inform you whether or not a specific voting item has been adopted.

2.a. Report of the Management Board for the 2019 financial year including discussion Annual Report 2019

The Chairman: The next item on the agenda is the Report of the Management Board for the financial year 2019 including the discussion of the Annual Report 2019 in case questions have been submitted prior to the meeting.

I would like to invite first Mr. Jackson Dunckel, AMG Chief Financial Officer, to provide a summary of the Company's financial affairs and first quarter results. Then Dr. Schimmelbusch will give a presentation on AMG's activities in 2019, AMG's current state of affairs and AMG's strategy.

Presentation of Mr. Jackson Dunckel: <https://ig9we1q348z124x3t10meupc-wpengine.netdna-ssl.com/wp-content/uploads/AGM-May-2020-CFO-Presentation-FINAL.pdf>

Mr. Dunckel: Thank you, Mr. Chairman, this is Jackson Dunckel, the Chief Financial Officer. In my remarks today I would like to cover a few of our results in 2019, a brief update of our first quarter 2020 results which we announced yesterday and conclude by touching on some key operational initiatives we undertook in 2019 and year to date 2020.

Divisional financial highlights

This page is a summary of our 2019 financial highlights split by our two reporting divisions, Critical Materials and AMG Technologies. On the top left you can see that our revenue decreased by 9% in 2019 versus 2018, but that this result was comprised of two different results: a decrease in revenue of 13% in Critical Materials and only a 2% decrease in AMG Technologies. The revenue decrease in Critical Materials was driven by a combination of significantly lower vanadium prices as well as price drops across most of our Critical Materials portfolio. On the top right, AMG's adjusted gross margin in 2019 decreased 18%. As you can see from the graph this decrease in gross margin was due mainly to Critical Materials which was affected by lower vanadium prices in 2019. In the lower left corner you can see EBITDA decreased to \$121 million in 2019. Again, the decrease in Critical Materials was largely driven by lower vanadium prices in addition to lower prices throughout the portfolio. The decrease in AMG Technologies was mainly caused by the receipt of a large payment due to a customer cancellation in Q4 of 2018. In the lower right corner we summarise our capital expenditures for the year. We spent \$79 million in 2019 versus \$73 million in 2018. The expenditure was driven mainly by our lithium and vanadium expansions in Brazil and Ohio.

On this slide and the next one we would like to show you our five-year development across some of the key financial matrices. As you can see here, EBITDA in 2019 fell back to the level it was in 2017, after a record year in 2018. While we were strongly affected by this fall in vanadium price, the rest of the portfolio performed well, despite lower prices. In terms of return on capital employed (ROCE) the combination of two years of significant capital investment and lower results produced a much lower

ROCE. Continued high spending on our vanadium and lithium projects is likely to continue to impact this metric for the next few years.

On the next slide we show net debt which increased to \$163 million due to the share buyback we completed in 2019. We finished the year with \$47 million of operating cashflow, down significantly versus prior years. Much of our cashflow in 2019 was impacted by vanadium inventory cost adjustments. Despite the increase in net debt it is important to point out two items. One, we are comfortably in compliance with our bank governance, and two, we enjoy significant liquidity thanks to the cash on our balance sheet and access to \$170 million of revolving credit facility. This liquidity is additionally supported by our \$307 million 4,3% bond, which will fully finance our vanadium project in Zanesville, Ohio. It is important to note that this bond is not part of our covenant calculation and it is not due for 30 years.

Q1 2020 financial highlights

Yesterday we announced the results of our first quarter performance. Our revenues were down 20%, driven by a significant metal price decline across AMG's entire portfolio versus the prior year. EBITDA decreased by 56%, driven by decreased profitability in our vanadium business and our titanium alloys and coatings business offset by increased profitability in graphite and silicon.

On the next slide we have some more details in terms of our two divisions. Critical Materials' gross profit was down 56% versus Q1 2019, but it did execute on cost cutting and reduced SG&A by 13%. Technologies' gross profit decreased by \$7 million versus Q1 2019, which was mainly driven by our Titanium Alloys and Coatings business. In terms of our net debt and cash positions we finished the quarter with \$209 million in cash, \$372 million in total liquidity and \$192 million of net debt.

Operational update

Finally, on the next two pages, as we detailed in our annual report and in some of the newsletters this year, I want to numerate some of our key operational achievements that we show on this page and the next one. We signed an agreement with Glencore to sell 100% of our production from both the existing and future ferrovanadium facilities. We negotiated, signed, and started to operate a joint venture with Shell to expand our catalysts recycling services outside of North America. We began engineering for a lithium hydroxide plant to be located in Zeitz, Germany. We completed the acquisition of International Specialty Alloys from Kennametal to enhance our titanium alloys business. And we completed the successful installation on the customer site of the first ceramic matrix composite vacuum furnace, representing a very significant milestone in AMG Engineering's ongoing new product development program. All in all, despite challenging economic conditions AMG continued to pursue its strategic expansion goals. Many thanks. Mr. Chairman?

The Chairman: Thank you. Dr. Schimmelbusch?

Presentation Dr. Schimmelbusch: https://ig9we1q348z124x3t10meupc-wpengine.netdna-ssl.com/wp-content/uploads/2020_AGM_CEO-Presentation.pdf

Dr. Schimmelbusch: Yes, Mr. Chairman. Dear shareholders, in the name of the AMG Management Board I want to welcome you to this annual general meeting. It is unusual to do this from my home in Pennsylvania. We will nevertheless try to answer whatever questions you might have, and I hope that next time we can look at each other in the dialogue between shareholders and management. The number of AMG employees under COVID-19 in self-quarantine is now 5, coming down steadily from over 30 a while ago. Today the number of confirmed COVID-19 cases is zero. We have one active case at AMG Titanium Alloys and Coatings in Nuremberg. The employee is now free of the virus and back at work. As we have over 3,200 employees in 33 sites in 15 countries, we are very lucky to report this. We have been confronting the crisis in a decentralised way, given the diversity of circumstances and regulatory regimes. Our central environmental health and safety group has been giving a framework, advising, and running a daily reporting system in direct contact with the unit CEOs. As reported regularly, we relentlessly pursue health and safety of our employees, with a target of zero incidents. In 2019 our progress achieved year after year was slightly interrupted, not as a general trend but largely due to two special cases. Counter measures have been implemented to avoid that these special cases would repeat themselves. By the way, compared to the primary metal manufacturing industry average, we are 68% better in total incident rate and 71% better in lost time incident rate compared to that index. On the last 12-month basis we slightly were better compared to

2019 in both rates. Zero incident over a year is possible. Several AMG sites have achieved that. We just received the governor's award for a six-year zero incident performance in our Aluminum Alloys plant in Kentucky. In summary, as to COVID-19 to this moment I want to state the impact is not on the health of our employees, the impact is on the market into which we sell and from where we buy. As you know, we commenced construction of our Zanesville, Ohio, recycling plant which essentially will double the recycling capacity for spent catalysts of the existing plant in Cambridge, Ohio. That was one transformational development in 2019. The second was the preparation of the building of a lithium experienced management team, the building of an elaborate lithium battery laboratory outside Frankfurt and the feasibility study for the construction of a lithium battery materials plant in Germany. The third was the formation of AMG Technologies combining AMG Engineering and AMG Titanium Alloys and Coatings, the acquisition of ISA, Pittsburgh, and the exploration of a potential IPO of AMG Technologies. When you look at this from today, the first two strategic projects, vanadium and lithium, are proceeding as planned, not interrupted by the COVID-19 crisis. The expansion of the vanadium recycling activities has accelerated by the way of the formation of Shell & AMG Recycling B.V., Amsterdam, a 50/50 joint venture with Shell Catalysts and Technologies. Shell-AMG offers recycling services wherever a customer of fresh catalysts provided by Shell Catalysts and Technologies needs to find a home for spent catalysts, applying the highest environmental standards. In lithium we have started engineering and permitting for the construction of a battery-grade lithium hydroxide plant in Zeitz, Saxony-Anhalt, Germany. The third project, the potential IPO of AMG Technologies, has been put on hold and is now out of the strategic horizon of AMG, given the dramatic events characterising the aerospace sector. Shortly after the formation of Shell & AMG Recycling, the new company, at the time still subject to receiving regulatory approval for its formation, signed a memorandum of understanding in Riyadh, kingdom of Saudi Arabia with SAGIA, the Saudi Arabian General Investment Authority for the construction of a large recycling facility for the recycling of vanadium containing refinery residue in the kingdom of Saudi Arabia. The picture shows smiling faces. It was prior to the Corona crisis. AMG is deeply embedded in what is called the circular economy, both as engineering service provider, remelting of steel, titanium, scrap, tantalum scrap and so on, even including the recycling of plutonium. And as the world's leading producer of vanadium from spent catalysts. As shown in this slide vanadium is used in steel as ferrovanadium and in titanium as alloying material. The upcoming third use of vanadium is in vanadium batteries. Stationary vanadium batteries for the use of electricity storage for grid stabilisation is an upcoming high growth market. Renewable energy cannot reasonably expand without expansion of battery-based electricity storage capacity. The vanadium battery is a leading contender to supply the very large market potential. As a leading vanadium producer, we have the intention to grow into this area. As announced repeatedly, we have developed an elaborate methodology to measure the impact of our product and engineering offerings on the CO₂ emissions of our customers. We call these CO₂ savings 'Enabled CO₂ Reductions'. We are qualifying additional offerings in this area. However, we will lose certain savings, given the contraction in aerospace. We have a strong liquidity and our focus is on cash preservation by cost cutting, capex restrictions and working capital reductions. Our business model is resilient, we have nine business units, seven in the critical materials segment, two in AMG Technologies. It is important to note that all nine units were EBITDA positive in 2019, albeit at a historical low level, given the extremely low price levels in this space. In our forecast for 2020 the same is true. Thank you for your kind attention.

The Chairman: Well, thank you Dr. Schimmelbusch and Mr. Dunckel for their presentations. Dr. Schimmelbusch and Mr. Dunckel will now respond to the questions submitted prior to the meeting, specifically those by the VEB. The questions will be shown on screen.

Question 1:

In the 2019 annual report AMG mentions five risk categories (strategic, operational, market and external, financial, legal and regulatory) as well as 11 principal risks. We assume that for these principal risks worst case plausible scenarios have been performed. However, a global pandemic has probably not been part of such worst-case scenarios. Could AMG elaborate on scenarios and stress tests that have recently been performed as a result of the outbreak of the Covid-19 pandemic?

Response to question 1:

Dr. Schimmelbusch: Operationally, we are responding decisively to the dramatic impact of the global pandemic and the related upheaval in the aerospace and automotive industries. We are focused on the things that we can control. As I stated, we are aggressively reducing operating costs, managing working capital and cutting SG&A expenses across the company. We have implemented a hiring freeze, reduced staffing levels where appropriate, adjusted production levels to meet lower end market

demand and furloughed employees where necessary. We have reduced professional fees and research and development costs, and we have renegotiated supplier and service provider contracts where appropriate. We continue to be primarily focused on driving operating cash flow and have reduced, eliminated, or deferred capital spending on non-strategic capital projects.

Question 2:

AMG hasn't included a risk trend for each individual principal risk factor in its annual report. What was AMG's assessment of the risk trend for each individual risk factor as per year-end 2019, compared to year-end 2018.

Response to question 2:

Dr. Schimmelbusch: We experienced increased risks in 2019 around metal price volatility. All other risks in 2019 were the same as in 2018.

Question 3:

Should this assessment be made again today, for what principal risk factors would the risk trend change, and why?

Response to question 3:

Dr. Schimmelbusch: Given the speed and ferocity with which the COVID-19 situation is developing, we would say that risks have only increased. Specifically, as a result of the Corona virus crisis some of our production facilities are operating below capacity, reflecting reduced demand levels. Our financial results reflect the 'lowest price' environment we are experiencing, and we continue to operate in an 'austerity' mode and focus on things we can control, such as operational efficiency, capital expenditures and overhead costs. This focus on expenditures will help to preserve our solid liquidity position.

Question 4:

During 2019 the price of vanadium exhibited a sharp drop and has since then shown a moderate recovery. However, the impact of Covid-19 on the aviation sector will likely put vanadium prices further under pressure. Could management elaborate on its expectations for the aviation industry and the likely impact this will have on AMG's financial performance?

Response to question 4:

Dr. Schimmelbusch: The aviation sector is not a primary driver for the vanadium price and we do not speculate on the direction of prices. The aviation industry is obviously suffering, and this will impact primarily our Technologies segment. For this reason, we have postponed the IPO of AMG Technologies.

Question 5:

In 2019 AMG signed a six-year contract with Glencore to supply 100 percent of AMG's ferrovandium production to Glencore. Could you elaborate more on the price (structure) of the contract? May we assume that the contract is significantly loss-making at current vanadium market prices? What are the options available to AMG so that the negative financial impact can be limited?

Response to question 5:

Dr. Schimmelbusch: We cannot comment on the price structure due to competitive reasons, but we are extremely pleased with the Glencore contract and it is very profitable at current market prices.

Question 6:

AMG's end-markets 'transportation' and 'infrastructure' are prone to the effects of the Covid-19 pandemic as shutdowns and reduced air traffic lead to declines in customer activity. How does AMG expect revenues and margins per segment to develop?

Response to question 6:

Dr. Schimmelbusch: As previously stated, due to the speed with which the COVID-19 situation is developing, there is uncertainty around its ultimate impact; therefore, updated guidance will be announced once the global industrial economy begins to stabilize.

Question 7:

Despite the positive impact of AMG Engineering on AMG's consolidated results, AMG is exploring a separate public listing of AMG Engineering. In its annual report AMG notes that this division has always acted as an EBITDA stabilizer. What is the strategic rationale of a separate listing of AMG Engineering, and what are the positives for AMG shareholders?

Response to question 7:

Dr. Schimmelbusch: The depressed conditions in the aerospace industry due to COVID-19 has forced us to postpone the pursuit of a public offering of AMG Technologies.

Question 8:

How will the Shell and AMG joint venture be accounted for in the AMG annual accounts?

Response to question 8:

Dr. Schimmelbusch: As a 50/50 joint venture it will be consolidated into our accounts utilizing the equity method.

Question 9:

Giving the importance AMG attaches to ROCE as a performance metric, could AMG provide a comprehensive buildup of the calculation of this metric?

Response to question 9:

Dr. Schimmelbusch: Adjusted earnings before interest and taxes divided by average operating capital employed.

Question 10:

AMG considers its balance sheet as a key competitive advantage, stating it has almost EUR 400 million in freely available cash and undrawn borrowing facilities. How is this presumed advantage impacted by the current economic situation?

Response to question 10:

Dr. Schimmelbusch: Our strong liquidity and balance sheet become more valuable as uncertainty increases in the market.

Question 11:

Does the company foresee any delays in the construction of the Zanesville plant as a result of the lockdowns? If so, could you provide an impact on expected cash flows?

Response to question 11:

Dr. Schimmelbusch: We do not currently foresee any delays related to the lockdown.

Question 12:

The incidence rate has increased during 2019. Could AMG shed some more light on how this could have happened, and which mitigating actions have been taken to increase safety-levels for upcoming years?

Response to question 12:

Dr. Schimmelbusch: AMG compares itself to the industry average for Primary Metal Manufacturing (NAICS 331). The industry's average total recordable case rate was 4.60 and the lost time rate was 2.80. AMG is proud that its safety performance is significantly better than the Primary Metal Manufacturing industry average, with a 2019 total recordable case rate of 1.46 (68 percent better) and a lost time rate of 0.80 (71 percent better). Of AMG's 33 locations, 10 achieved zero lost time incidents in 2019.

Question 13:

In the Annual Report AMG mentioned that three tailings dams in Brazil were investigated by a third-party. According to AMG this study concluded that the dams were legally compliant and technically sound. Are there other critical facilities currently under investigation?

Response to question 13:

Dr. Schimmelbusch: To clarify, we invited 3rd parties to investigate our tailings dams and confirm that they were sound. We did this in order to make sure we were operating safely. No facilities were or are currently under investigation.

Question 14:

AMG's direct carbon-emissions are sizeable, both in absolute as well as relative terms. Which measures have been implemented to mitigate these emissions? What are the odds that AMG's production will be subject to an EU ETS-like system at any point in time?

Response to question 14:

Dr. Schimmelbusch: AMG's net CO₂ emissions (Operational Emissions of 540,000 MT – enabled CO₂ reduction of 67 million MT in 2019) are negative by 66.4 million metric tons. In 2019, we could have operated at 124 times the operational carbon footprint of AMG and still have been carbon neutral. All industrial businesses should aspire to operate with a negative carbon footprint of AMG's magnitude.

The Chairman: Are there any follow-up questions from the VEB?

Mr Mees: Mr. Ritskes, the line is open, go ahead.

Mr. Ritskes (VEB): Good afternoon, Arie Ritskes. About question number 7, what was the strategic rationale of separate listing?

Dr. Schimmelbusch: The strategic rationale of the separate listing was to open further expansion routes into operating furnaces for the aerospace sector, instead of selling furnaces to the aerospace sector only.

Mr. Ritskes (VEB): But if you keep it in your total company, you will have what we see in the first quarter and what we also see in 2019 results, that it is dampening the segmental character of the main part of your company.

Dr. Schimmelbusch: That is correct and that would also have been the case had we expanded that activity through the equity raised and invested it into the company. But since the market has been – to our surprise and I also think to your surprise – severely curtailed, your observation is backward looking. Forward looking we are not expecting expanding aerospace backlog.

Mr. Ritskes (VEB): Okay. Then on question 8, I didn't hear the answer, what was it?

Dr. Schimmelbusch: Question 8? We have a 50/50 joint venture with Shell Catalysts & Technologies, and it enters into accounts utilising the so-called equity method.

Mr. Ritskes (VEB): What do you mean by that?

Mr. Dunckel: That means that the sales and operations will not be consolidated into our results, you will see a single line item in the assets that says: 'investment in minority joint venture' or 'investment in joint venture'.

Dr. Schimmelbusch: It would not be appropriate to fully consolidate that because both parties would have to fully consolidate that and that would be a so called overconsolidation.

Mr. Ritskes (VEB): Okay, I agree with that. These were my questions.

The Chairman: If there are no (further) questions, I conclude that item.

2.b Remuneration Report of the Supervisory Board for the 2019 financial year

The Chairman: The next item on the agenda is the Remuneration Report of the Supervisory Board for the 2019 financial year. In accordance with Dutch governance rules and practice, AMG believes it is important to be transparent about its remuneration policy and the implementation of that policy. Mr.

Depp, the Chair of our Remuneration Committee, will now give a presentation on AMG's Remuneration Report for the year 2019. I pass the floor to Mr. Depp. At the end of his presentation Mr. Depp will respond to the questions that have been submitted prior to the meeting by shareholders which relate to the Remuneration Report 2019.

Mr. Depp: Thank you Mr. Chairman. Mr. Chairman, can you hear me?

The Chairman: Yes, I can.

Presentation Mr. Depp on remuneration: <https://ig9we1q348z124x3t10meupc-wpengine.netdna-ssl.com/wp-content/uploads/Remuneration-Presentation-AGM-2020.pdf>

Mr. Depp: Okay, slide 1. Once again, it is my pleasure to address the Annual General Meeting with our Annual Remuneration Performance for 2019. As in the past and as the foundation of the plan, we pay for performance. Performance has been the key driving parameter for years and, as in the past, we employ and are advised by the world's largest executive compensation consulting firm of Willis Towers Watson. Slide 2, table of contents. A quick review of the agenda in which I will discuss the compensation system, bonus results, long-term incentives and information provided by our executive compensation firm of Willis Towers Watson. Slide 3, components of Management Board Remuneration 2019. There are three components that comprise the remuneration package for each member of the Management Board. First there is the salary. In the case of the CEO, the base salary has not changed since 2008. The base salary for the COO was increased \$200,000 during the calendar year 2019 and the base salary for the CFO has not changed since he was hired in 2016. The second component is the annual bonus, or short-term incentive, based on meeting certain financial and personal objectives. And finally, the long-term incentives, which include stock options and performance share units (PSU). We use Willis Towers Watson as our adviser to ensure that not only does our compensation fall within the range of comparable companies but that it meets certain competitive hurdles compared to those companies. In this manner we adhere to the guiding principle of our compensation and that is to pay for performance. Slide 4, peer group. The peer group, with input from the Management Board was created by Willis Towers Watson in 2016 and updated in 2018 as one of the group was acquired by another company. These are companies that we compete against on the world market for both our products and personnel. We will be using the same method for 2020, but the group once again has changed slightly, and we have removed four companies for various reasons and supplemented them with five other similar companies. Our total compensation target versus our peer group is the 50th to 60th percentile. In most cases we are smaller and therefore have to pay more to ensure we keep the top talent we need to be a truly successful global company. As has been discussed in previous years, our executive compensation has a more US-centric approach, because the Management Board is located in the US, even though our business is fairly split between Europe, the United States, and the rest of the world. I would like to have Dr. Schimmelbusch address the next slide and say a few words on our peer group.

Dr. Schimmelbusch: Thank you, Mr. Depp. In a market economy there are many markets active with suppliers and products for intellectual property. The most important market is the market for personalities which can direct production and sales and purchasing affairs and can lead companies into the future. That market is therefore the key market for having a feeling for executive compensation. Because that's where one competes for the key resources of each company. We have given this a great deal of thought since many years. We look at companies which we are supplied by where we are a customer. We are looking at companies where we are a competitor, so either we are supplied or we are selling to, so we have a strong commercial relationship. We compete in many instances; the supplying customer relationship overlap with the competition. And we have companies which are in similar industries or in a similar industry, but where we not – or not yet – have a commercial relationship and/or are not competing yet. That are the companies where we can be confident that we will find executive talent and that are the companies that are looking at our executive talent, to steal it from us. Therefore, this is our key metric for compensation. For example, we have hired, Mr. Chairman, recently five key executives from that group. So that is my comment on that issue.

Mr. Depp: Thank you Heinz. Slide 6, short-term incentives. Our short-term incentive program consists of the annual bonus and this bonus is based on the annual budget presented by the Management Board and approved by the Supervisory Board at the end of the prior year. We have used and

continue to use three matrices that determine our short-term incentives for each year. There is return on capital employed (ROCE), which is a measure of capital efficiency and this is weighted 40%. The second metric is operating cash flow, which ties the operating performance to the balance sheet and includes working capital and cash generation and also receives a 40% weighting. And finally there is the individual, personal targets of the Management Board with a weight of 20%. The Supervisory Board through the budget process at the end of each sets the numerical targets for the first two objectives and then approves the individual personal targets based on the long-range plan for the following year. For the CEO, the target is 85% of the salary, while the target bonus for the COO and CFO is 65% of their salary. These targets represent approximately the 50th percentile of the peer group. The outcome of the matrices is then multiplied by the weighting and then multiplied by the target bonus percentage for each individual on the Management Board. This provides us with a numerical bonus pay-out. Slide 7, 2019 bonus results. Here are the bonus pay-outs for 2019. As you can see it was a difficult year, therefore the pay-out is quite low compared to 2018, when the metric allowed the Management Board members to achieve a 300% pay-out. This year return on capital employed was less than the target but more than the minimum and received a 63% amount. We failed to meet the hurdle rate with the operating cash flow, but the individual performance in this difficult environment was stellar and that metric received the highest pay-out of 300%. Let me expand on some of the key accomplishments that the Supervisory Board felt deserved recognition. Dr. Schimmelbusch led the negotiations with Shell, the former joint venture that will expand AMG's catalyst recycling footprint outside North America. Dr. Schimmelbusch also hired a new team of lithium scientists in Germany and reoriented the lithium strategy toward the emerging electric vehicle battery market in Europe. Eric Jackson negotiated the Glencore off-take agreement for ferrovandium, which materially improved our working capital position in that business. Jackson Dunckel raised \$325 million in 4.3% bond for a ferrovandium expansion in Ohio. The Supervisory Board felt strongly that achieving this kind of fundamental strategic changes while managing the business through a challenging year was truly remarkable and deserved a maximum pay-out for that metric. Slide 8, actual dollar amount of pay-outs. Target bonus times performance results in the pay-out percentage. With then multiplied the pay-out percentage with the salary to obtain the total dollar amount of the yearly bonus. You can then read the actual bonus per individual in the far right column. Slide 9, long-term incentives. As in the past we use Willis Towers Watson to review our plan and ensure that our long-term incentives as a percentage of total compensation aligns with our peer group. We split long-term incentives into two groups. The first are stock options and represent 20% of the long-term incentives. The second are the performance share units and they represent 80% of the package. Stock options can only be vested if they can pass through a three-year average threshold ROCE-gate of our peer group. Once they pass through this gate, then they vest 50% at three years and 50% at four years and they have a ten-year life in which to be cashed. The price at which the stock options are granted is the average stock market price for ten days after the publication of the Annual Report. Next, our performance share units that represent 80% of the long-term incentive package. To vest, these must pass two tests. The first test is the same as for the stock options mentioned above. The second is a measure of total shareholder return versus the Bloomberg World Metal Fabricate/Hardware Index. To pass through this second gate, you need to have at least a 30th percentile ranking, which would provide a 30% pay-out. And you receive a 100% pay-out if you reach the 50% comparable ranking. The higher AMG's total shareholder return versus its peers, the higher the pay-out becomes. The pay-out tops out at 175% if AMG scores at or above the 90th percentile ranking in total shareholder return. Slide 10, performance share units. The pay-out for the PSU's is quite volatile. In 2013 only 25% of the award was payed out. In 2014 and 2015 the total shareholder return was below the 25th percentile required to vest, so none were vested. In 2016 the company's return was above the 60th percentile and therefore was awarded 115% pay-out. In 2017 through 2019 the company's return was above the 90th percentile and therefore was awarded the maximum pay-out of 175%. In 2020 you can see that the total shareholder return as a percentage of the Bloomberg Index was at 40%, which yielded a 75% pay-out. Slide 11, CEO earned pay versus total stockholder return. This slide was prepared by Willis Towers Watson, our executive compensation consultant and it compares three years of total compensation for AMG's CEO versus the CEO's of our peers. We call this the 'fairway'-slide. On the top left the CEO pay is off of the fairway and this signifies that the CEO's are overpaid versus the total shareholder return. Likewise, there is a pay-for-performance gap at the bottom right and there the CEO's are underpaid. AMG's strives to pay for performance and be within the fairway and at 80th percentile total shareholder return, you can see that our CEO pay achieved that through the last three years. Slide 12, total shareholder return performance. Here Willis Towers Watson compares total shareholder return versus our peer group. This slide supports the 80th percentile shareholder return shown on the previous graph. Slide 13, relative performance matrices.

Here, Willis Towers Watson compares proxy advisor matrices to our peer group matrices, again over the last three years. And while AMG does not score well on income statement measures, its ROCE-measures are well above medium and the total shareholder return is in the top quartile. Mr. Chairman, that concludes my remarks, thank you.

The Chairman: Well, thank you, Chairman Depp, for an excellent presentation. Now we will respond to the questions that were submitted by the VEB, specifically questions 15 and 16. Mr. Dunckel, CFO of AMG, will respond.

Question 15:

How can it be explained that still 63 percent of the targeted STI remuneration on the ROCE-target was awarded, whereas management performed 'significantly below' target on this metric?

Response to question 15:

Mr. Dunckel: The target ROCE was derived from the AMG budget for 2019 and sets both a threshold and a maximum. The 64% is the result of the actual ROCE achieved compared to the target. We consider 64% as significant below the target of 100%.

Question 16:

Could AMG provide additional insight into the performance incentive zone that was applicable for the cashflow and ROCE targets?

Response to question 16:

Mr. Dunckel: The ROCE and OCF targets derive directly from AMG's budget for 2019 and are not disclosed, as AMG considers this competitor sensitive information.

The Chairman: Thank you, Mr. Dunckel. Are there any follow-up questions on this item from the VEB?

Mr. Mees: There are no further questions.

The Chairman: In that case, as all questions have now been answered, I conclude this agenda item and read the voting results. Before doing so, I wish to clarify that this item concerns an advisory vote only and that the outcome of the vote does not affect the validity of the Remuneration Report or the remuneration of 2019.

Ladies and gentlemen, for this agenda item:

The total number of votes received is 6,832,782, of which
3,324.516 are casted FOR
3.508.266 are casted AGAINST
0 is casted WITHHELD

This means that this agenda item has not been approved since approval for this agenda item needs a majority of more than 50% of the votes represented voting in favor.

2.c Discussion of dividend policy

The Chairman: The next item on the agenda is the discussion on the dividend policy. In accordance with the Dutch corporate governance code, AMG proposes to discuss AMG's dividend policy, which has been amended most recently in 2018. I now invite Dr. Schimmelbusch to explain the change in dividend policy.

Dr. Heinz Schimmelbusch: AMG's dividend policy had been consistent until 2015, when all earnings were retained to improve the strength of the balance sheet and finance the development of its business. In 2015 AMG started paying dividends as a result of AMG's strong balance sheet liquidity, as well as the Board's confidence in our long-term ability to generate solid cash flow. In 2018 the Management Board – with the approval of the Supervisory Board – decided to further develop the Company's dividend policy as initially revised in 2015 and continued in 2016 and 2017. The new policy

adopted in 2018 targets an annual dividend pay-out of between 20-40% of net income attributable to shareholders. This year the Management Board – with the approval of the Supervisory Board has adopted an addendum to this policy, which includes that year-on-year changes shall not deviate more than plus or minus 20%.

The Chairman: Thank you. As there are no questions submitted on this issue, I now conclude this agenda item.

3.a. Adoption of the 2019 financial statements

The Chairman: The next item on the agenda is the adoption of the 2019 financial statements. We can see those on the screen.

The Company's financial statements have been audited by KPMG Accountants N.V., the Company's external auditor. The unqualified audit opinion may be found in AMG's Annual Report. Mr. van der Heijden of KPMG will now give a brief presentation about KPMG's audit activities.

Mr. Van der Heijden: Thank you Mr. Chairman. I would like to provide you with a short overview of our audit of the 2019 AMG financial statements. Our audit primarily focuses on the consolidated and company financial statements, that is also highlighted in our long-form auditors report which you can find on page 119 through 124 in the Annual Report.

Our objective is to plan and perform the audit to obtain sufficient and appropriate audit evidence for our opinion that the financial statements give a true and fair view. We perform our audit with a high but not absolute level of assurance to conclude that the financial statements do not include material errors. The independent audit report reflects the conclusion of the audit performed. On March 11, 2020 we issued an unqualified audit opinion on the 2019 financial statements of AMG. This means that the financial statements provide a true and fair view and are prepared in accordance with IFRS and the Dutch civil code. And with respect to the Management Board Report we determined that report has been prepared in accordance with the Dutch law and that the specific information therein is consistent with the financial statements and does not contain material mistakes.

Audit approach and key audit matters

Our audit approach contains of a number of elements:

- 1) Risk assessment: as part of our audit we conducted a risk assessment to determine the areas in the financial statements that are most sensible to error. Generally, most risks are in a larger account balances and transactions with evolved estimates. In 2019 additional audit efforts were directed in response to the rapid decline in the vanadium price and resulting inventory write down, the construction and the financing of the new vanadium plant and the lithium concentrate plant in Brazil.
- 2) Materiality: the materiality applied to the audit is both relevant in planning our audit and in evaluating the effect of the identified mistakes. Based upon our professional judgement we set materiality for the financial statement as a whole at \$3.5 million. The materiality represents 4.5% of the average and normalised profit before income tax. We agreed with the Audit Committee that we report any identified misstatements to them above \$175.000. There were no unadjusted audit differences identified.
- 3) Top-down approach: in order to achieve as much efficiency as possible we have identified a number of areas that are audited by the group audit team. The group audit team performed audit procedures on the valuation of goodwill, the tax position for The Netherlands and the US, valuation of investments, the US environmental provisions, share-based compensations, and financial instruments, including Management estimates. In other areas we used the work of the component auditors. In our audit we have ensured that the local KPMG offices are involved in the audit for the foreign subsidiaries. Based on the size and the risk associated with the subsidiaries we have selected 11 components where procedures were performed: 10 components in Germany, France, the UK, the US and Brazil and performed an all-over complete reporting pack and in addition an audit of specific items was performed for one component in the US and for a corporate entity in Germany. We send detailed instructions to all component auditors covering significant areas including the relevant risks. For all components in scope of the group audit we

held conference calls and held physical meetings with the auditors of the components. On a rotational basis we performed visits to the larger components and specific locations. We visited component locations in Germany, the US and Brazil and we performed reviews on the audit files at these locations. And during these meetings and calls the planning, the risk assessment, the procedures performed, the filings and observations reported to the group auditor were discussed in more detail.

- 4) Involvement of specialists: for technically complex areas we used KPMG specialists. We have used the work of KPMG forensic specialists and involved specialists in the areas for acquisition, taxation, pension, share-based compensation, and financial instruments.

Coverage

The mentioned procedures performed resulted in a coverage of 98% of revenues and 96% of total assets for the full scope audits and the audit of account benefits. The audit coverage is reported in two categories. The first category, audit of complete report packages, shows the audit covered, obtained through components that were allocated to a full scope audit. The other category, audit of specific items, referred to the components that had been in scope for specific account balances. The total coverage in 2019 has remained the same as in 2018. The split between the two categories has changed compared to 2018. This change is a result of the significant restricted cash balance on the of the municipal bond offering, which changed the relative composition of the assets of the group. This balance has been subject to full scope audit procedures and thereby increasing the audit of the coverage obtained in this gathering. I conclude no audit coverage change from 2019 to 2018.

In our audit we have considered the risk of management override of controls and presumed risk. Our audit procedures in response of this risk include the evaluation of the design and implementation of relevant internal controls related to the financial reporting and revenue recognition. We performed inquiries of management and substantive audit procedures, such as testing of high risk journal entries, for example post-closing journal entries, and an evaluation of key estimates and judgement by management, for management biases such inventory valuation, impairment testing and the valuation of level 3 financial instruments. We have also inquired the company's compliance officers regarding reporting incidents and/or speak-up reports, and in accordance with the principles 1.2.3 and 2.6 of the Dutch Corporate Governance Code AMG had established a speak-up and reporting policy that allows employees to anonymously report questions or suspected violations with AMG values of code of business conduct. It is common practice as part of our audit procedures to take notice of incidents and speak-up reports that have been reported during the period. From a confidentiality perspective we cannot comment on the content of the reports, we therefore defer these questions to the management of the company. I would like to stress that included in our audit report of our procedures in respect of the fraud there have been no results in any key audit matter.

The independent audit contains an elaborate disclosure on responsibilities with respect to fraud and non-compliance to laws and regulations. For more information I refer to the disclosure provided in the independent auditor's report.

Key audit matters

Key audit matters are those matters in our professional judgement who are most significant in our audit of the financial statements. These matters, for instance, could relate to perceived increased risk of error, significant areas of judgement or estimate and significant transactions. We have communicated the key audit matters to the Management and the Audit Committee, the key audit matters are not a comprehensive reflection of all matters discussed. For the current year we determined the following key audit matters: the inventory valuation of AMG vanadium, the valuation of the lithium concentrate plant, investment in, recoverability of the vanadium plant and the related financing and revenue recognition on the sale of goods and projects. For the description of these key audit matters, including our response, observations, and conclusions I refer to the extended reporting in the financial statements. This concludes my short overview of the highlights of the audit. I have already incorporated the questions raised by the VEB in my presentation, but I am happy to answer any other questions you may have. Thank you, Mr. Chairman.

The Chairman: Thank you Mr. Van der Heijden for that presentation. The VEB has brought the questions 17, 18 and 19.

Question 17:

KPMG mentions having identified management override of controls as a fraud risk during the audit. In what specific way was this fraud risk addressed by KPMG in its audit procedures, i.e. what specific procedures were performed to address the risk of fraud?

In this respect, could KPMG elaborate in detail on (i) what manual journal entries have been selected and tested, (ii) how the tone at the top was evaluated, (iii) how the culture of open communication that should discourage management override was assessed and (iv) what internal controls were tested.

Question 18:

KPMG states that as part of its evaluation of instances of fraud, KPMG inquired AMG's compliance officers regarding reported incidents and/or speak-up reports.

Could KPMG elaborate on what kind of incidents or speak-up reports these inquiries related to, what KPMG's observations were in this respect and what recommendations were given to the company?

Question 19:

From the 2019 auditor's report it appears that the audit coverage for the 2019 annual accounts has changed compared to the 2018 financial statements. With respect to total assets KPMG now reports a coverage of total assets of 81 percent (2018: 70 percent) and with respect to specific items the coverage was 15 percent (2018: 26 percent).

Please elaborate on these differences in coverage for both total assets and specific items. What were the specific items audited for the 2019 accounts, and what were the differences compared to 2018?

The Chairman: Mr. Van der Heijden has stated he incorporated the answers on these questions in his presentation. Are there any follow-up questions on this item from the VEB?

Mr. Mees: Mr. Ritskes, the line is open.

Mr. Ritskes: You cannot give any more information about what you said, you have no further comment on these questions?

Mr. Van der Heijden: No, I think I have answered all the questions you raised.

Mr. Ritskes: Okay.

The Chairman: In that case, are there any further questions from VEB?

Mr. Ritskes: No, thank you.

The Chairman: Okay, thank you. Ladies and gentlemen, for this agenda item:

The total number of votes received is 6.832.782, of which
6,809.876 were casted FOR
0 were casted AGAINST
22,906 were casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is adopted.

3.b. Proposal to resolve upon (final) dividend distribution

The Chairman: The Chairman: The next item on the agenda is the proposal to resolve upon the final dividend distribution.

In line with the revised dividend policy as discussed earlier, the Management Board, with the approval of the Supervisory Board, proposes to declare a dividend of € 0.40 per ordinary share over the financial year 2019. On August 16, 2019, the interim distribution of € 0.20 per ordinary share was effected; this will be deducted from the total dividend distribution making the final dividend € 0.20 per

ordinary share. The final dividend of € 0.20 per ordinary share will be made payable on or around May 13th, 2020, to shareholders of record on May 11th, 2020. The ex-dividend date will be May 8th, 2020.

There are no questions about this item:

If not, Ladies and gentlemen, for this agenda item:

The total number of votes received is 6,832,782 of which
6,396,087 were casted FOR
436,695 were casted AGAINST
0 is casted WITHHELD

The Chairman: I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is adopted.

4. Discharge from liability of the members of the Management Board for the 2019 financial year

The Chairman: The next item on the agenda is the discharge from liability of the members of the Management Board in office in 2019 for the 2019 financial year.

There are no questions on this item from shareholders.

The total number of votes received is 6,832,782 of which
6,809,776 were casted FOR
0 is casted AGAINST
23,006 were casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is adopted.

5. Discharge from liability of the members of the Supervisory Board for the 2019 financial year

The Chairman: The next item on the agenda is the discharge from liability of the members of the Supervisory Board in office in 2019 for the 2019 financial year.

Text of the proposal is shown on the screen.

The Chairman: There are no questions on this item from shareholders. Ladies and gentlemen:

The total number of votes received is 6,832,782 of which
6,809,776 were casted FOR
0 is casted AGAINST
23,006 were casted WITHHELD

I therefore confirm that the majority of the votes cast is in favour of the proposal and that the proposal is adopted.

6. Re-appointment of Jackson Dunckel as member of the Management Board

The Chairman: The next item on the agenda is the re-appointment of Jackson Dunckel as a member of the Management Board. In this regard I am pleased, as a Chair of the Selection & Appointment Committee, to make a report with regard to Mr. Dunckel's re-appointment as a member of the Management Board and as Chief Financial Officer.

Professor Hanke: His term ends on May 6th, 2020. Mr. Dunckel was appointed for the first time in 2016. The Supervisory Board proposes by way of binding nomination pursuant to clause 14.4 of the Company's articles of association, to re-appoint Mr Jackson Dunckel as member of the Management

Board with effect from May 6th, 2020 until immediately after the Annual General Meeting in 2024 (this is in accordance with the regular four-year term for which members of the Management Board are appointed under the Company's constitutional documents). An excerpt of the terms and conditions of his employment contract with Metallurg Inc., a subsidiary of AMG, can be found at AMG's corporate website (www.amg-nv.com) as well as the resume of Mr. Dunckel.

The Supervisory Board proposes to re-appoint Mr. Dunckel in view of his excellent performance during the past four years as Chief Financial Officer, as proven by his significant contribution to the implementation of AMG's growth strategy and as head of AMG's finance & accounting team and given the broad, international and highly relevant experience that he brings from the banking and chemicals industry and his expertise in financing and treasury matters.

The Chairman: There are no questions on this item submitted by shareholders, so I move to the vote.

The total number of votes received is 6,832,782 of which
6,832,782 were casted FOR
0 is casted AGAINST
0 is casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is adopted and congratulate Mr. Dunckel with his re-appointment.

7. Adoption of the Remuneration Policy for the Management Board

The Chairman: The next item on the agenda concerns the adoption of the Remuneration Policy of the Management Board

AMG's current Remuneration Policy for the Management Board was adopted by the General Meeting of Shareholders in the 2013 AGM and has been effective since 2013.

Since the implementation in the Netherlands of the EU Shareholder Rights Directive in 2019, the Remuneration Committee of the Supervisory Board has stepped up its regular review of the Remuneration Policy for the Management Board, and did so most recently with the assistance of Willis Towers Watson executive compensation consultants. This most recent review focused specifically on whether the existing Remuneration Policy supported the overall executive compensation philosophy of the Company and whether corporate governance developments in general and in the Netherlands specifically, including the recent adoption of the EU Shareholder Rights Directive, would merit an adjustment of the Remuneration Policy.

The resulting proposed Remuneration Policy is in substance similar to the Remuneration Policy which has been in place successfully since 2013 and which has proven to be a solid framework for remunerating the Management Board members in support of the strategic objectives of the Company. The proposed Remuneration Policy has further been adjusted where necessary to respond to the increasing demands for transparency and clarity resulting from the EU Shareholder Rights Directive. The new Remuneration Policy continues to fully meet the standards of international good corporate governance practices and it meets the requirements set out by the EU Shareholder Rights Directive, specifying, among other things, how the Remuneration Policy forms a necessary tool for enabling the Company to create long-term value and reach its strategic objectives.

The Supervisory Board, who is responsible for the formulation of the amended Remuneration Policy, has recommended to the shareholders to vote in favour of adopting this amended Remuneration Policy for the Management Board as a solid framework for the Company's remuneration practices for the Management Board going forward.

The Chairman: We will now respond to the questions that have been submitted prior to the meeting by the VEB about this item. Before that, the VEB has asked us to read the following statement:

STATEMENT VEB:

In our view AMG continues to have an overly aggressive remuneration policy. While in general VEB attaches more importance to the structure of the remuneration policy and the applicable performance criteria, we consider the maximum pay-out to be too high, for example relative to the company's size.

Furthermore, the VEB is not supportive of the inclusion of stock options in the remuneration policy. For the above-mentioned reasons, the VEB has voted against the remuneration proposal. Nevertheless, we as VEB have the following questions.

These questions will now be answered by Mr. Depp and Mr. Dunckel.

Question 20:

The Supervisory Board states that with respect to remuneration AMG uses a competitive total direct compensation strategy that will help secure top talent. We already noted that AMG's management board remuneration is relatively high.

a. Why does the Supervisory Board deem such an aggressive remuneration structure necessary?

Response to question 20 a):

Mr. Depp: As stated in our executive remuneration philosophy, AMG competes for superior talent with corporations of considerable scale and global presence, in many cases larger in size than AMG. Therefore AMG must provide top talent with roles that are challenging and motivating in a fast-paced environment and offer very competitive reward opportunities.

b. How has AMG's voluntary turnover rate (turnover rate) developed over the past five years?

Response to question 20 b):

Mr. Depp: We understand that turnover rate relates to turnover of senior management within AMG. That turnover is low and we believe that is a clear sign of the success of AMG's remuneration policies

c. Has AMG assessed how its turnover rate compares to peers, or any other selection of companies?

Response to question 20 c):

Mr. Depp: AMG uses a peer group carefully selected that is used to benchmark compensation. Turnover levels at other companies are not readily available and may be only partly relevant as matrix to benchmark compensation.

d. How has AMG assessed that there is a direct relationship (causality) between the remuneration package offered and the retention of key staff?

Response to question 20 d):

Mr. Depp: AMG regularly reviews the compensation levels of its senior management that is based in a variety of countries with different cultures and compensation practices. Retention levels of key staff is always part of that review process. We have a fairly good knowledge of the various reasons why key staff work for AMG and its subsidiaries worldwide. Remuneration is obviously a part of that.

Question 21:

Will the specific financial and individual targets, as well as corresponding performance incentive zones, for both the STI and LTI metrics be published in the remuneration report as from this year? Can AMG confirm that it will be fully compliant with the newly implemented SRD?

Response to question 21:

Mr. Dunckel: AMG's remuneration report for 2019 is compliant with the regulations of the recently implemented SRD. As stated earlier, disclosing specific financial or individual targets may reveal competitive information that we believe should remain confidential so we will be carefully reviewing whether such disclosure is merited.

Question 22:

With respect to the STI the proposed remuneration policy contains a carbon-dioxide-related matrix based on carbon-dioxide savings by third parties/customers from AMG's materials. How does AMG assess these carbon-dioxide savings by third parties?

Response to question 22:

Mr. Depp: Indeed we have introduced a new STI matrix concerning the maximization of CO₂ reduction by AMG's suite of enabling technologies. Dr. Schimmelbusch, can you provide more details on how this matrix will work?

Dr. Schimmelbusch: Well, AMG has developed over the years a very sophisticated method to measure the CO₂ reduction enabled by our products and services at the customer level. And this has been revised and amended by outside consultants that it is fair to say that this method now is an industry leading matrix. We have proudly announced that these measurements have led to a rise in our effectiveness to enable customers to reduce CO₂ at a level which is significant compared to the size of the company. We are broadening these efforts, not only by increasing the recycling part, the circular economy part of the CO₂ where we directly reduce CO₂ as compared to primary extraction or mining by the way of recycling. We also mostly focus now on that enabling portion of CO₂ reduction. It is fair to say that these methodologies are on their way to become auditable. And our third-party verification of these methods are making progress in a big way. Even now there are efforts in certain pilot programs to have our enabling CO₂ savings including mitigation savings listed on CO₂ exchanges. That, Mr. Chairman, is my remark.

Question 23:

The remuneration policy provides for an equity-based variable compensation as part of the LTI. For this LTI, the at target performance for the CEO corresponds to a pay-out of 183 percent of base salary. Part of this remuneration component is awarded in stock options (the Stock Option Plan). Why has AMG opted for stock options which inherently have a flawed payoff structure?

Response to question 23:

Mr. Depp: We disagree that stock options have a flawed pay-off structure. It is a well-known and well tested long-term incentive mechanism that aligns the interests of the Management Board with those of its shareholders. In a publicly listed company that is a good thing.

Question 24:

For the Performance Share Unit Plan vesting of shares is dependent on AMG's ranking on TSR relative to a peer group, being the Bloomberg World Metal Fabricate/Hardware Index. This index contains a broad range of companies, of which 50 are reportedly active in the metal sector. Why has this broad index, which includes seemingly irrelevant companies, been chosen instead of - for example - the published peer group that was used for the salary benchmarking purposes?

Response to question 24:

Mr. Dunckel: The Bloomberg Index has been used since 2013 by AMG. AMG is built up as a portfolio company of various specialty metals, chemicals and materials combined with a technology group aiming at aerospace and automotive related customers, makes a wide index like Bloomberg's World Metal Fabricate/Hardware Index attractive. We continue to review regularly whether the Index is still the right one.

Question 25:

The Supervisory Board has the discretion to increase the severance payment of management board members to two times base salary, if one year's base salary would be unreasonable. Under which circumstances would the Supervisory Board find a severance package of one-time base salary unreasonable?

Response to question 25:

Mr. Depp: That can depend on many factors. We do not go here into hypotheticals as the reality will always be different. The Remuneration Committee and the Board as a whole are appointed, amongst other things, to use their judgment for matters like this. The quality of the Board should provide adequate assurance that these matters are dealt with properly.

The Chairman: Well, thank you Mr. Depp and also Mr. Dunckel for responding to these questions, as well as your presentation. Let me invite VEB to ask any follow-up questions that they might have on this item.

Mr. Ritskes: No, thank you.

The Chairman: Okay, in that case, let us move to the vote.

The total number of votes received is 6,832,782, of which
3,324,516 are casted FOR
3,508,266 are casted AGAINST
0 is casted WITHHELD

I confirm that less than 75% of the votes cast is in favour of the proposal and that the proposal is therefore rejected as this proposal requires that a majority of at least 75% of the votes cast is in favour in order to adopt this proposal.

8. Adoption of the Remuneration Policy for the Supervisory Board

The Chairman: The next item on the agenda concerns the adoption of the Remuneration Policy for the Supervisory Board

Professor Hanke: AMG's current remuneration structure for the Supervisory Board members was adopted by the General Meeting of Shareholders in the 2013 AGM and is effective since 2013.

The new legislation implementing the revised EU Shareholder Rights Directive also contains new rules on remuneration policies. The most recent review by Willis Towers Watson, the Company's executive compensation consultants, in 2019 confirmed that the remuneration both in structure and content of the Supervisory Board members still fully supports the overall compensation philosophy of the Company and fully meets the standards of international good corporate governance practices and the requirements set by the EU Shareholder Rights Directive. The proposed Remuneration Policy is in substance similar to the remuneration structure and practice for the Supervisory Board that was in place since 2013 until 2019 (inclusive).

The Supervisory Board, who is responsible for the formulation of the Remuneration Policy for the Supervisory Board, has recommended to the shareholders to vote in favor of adopting this Remuneration Policy of the Supervisory Board as solid framework in order to be able to continue to attract high quality new candidates and to adequately reward its current members.

The Chairman: We will now respond to the questions that have been submitted prior to the meeting by the VEB. First the VEB has requested that we read the following statement on their behalf:

Statement VEB:

The VEB does not support the granting of AMG shares to supervisory board members. In line with the Dutch Corporate Governance Code we are of the opinion that supervisory directors may not be awarded remuneration in the form of shares and/or rights to shares.

For this reason, the VEB has voted against the remuneration proposal.

The Chairman: Now, I would like to invite Chairman Depp to respond to the questions from the VEB.

Question 26:

The proposed remuneration plan for the supervisory directors can be considered generous, with remuneration levels comparable to European large-cap companies. For instance, the proposed remuneration for the chairman exceeds the remuneration paid to the chairman of the Supervisory Board of ASML N.V., one of the largest Dutch listed companies with a market cap far exceeding AMG's market cap. Could AMG provide a detailed explanation why it has nonetheless chosen to propose this remuneration to its supervisory directors?

Response to question 26:

Mr. Depp: We use a peer group that has been carefully selected and benchmark compensation against that peer group. No Dutch companies are part of that per group, simply because there is no proper match. Total remuneration for Supervisory Board members has not increased for eight consecutive years. You may call this compensation generous, we call it robust and appropriate.

Question 27:

Could the company provide a detailed explanation for the inclusion of shares in the remuneration of its Supervisory Board members, thereby not just referring to US practices?

Response to question 27:

Mr. Depp: AMG awards shares as part of the Supervisory Board compensation since 2009. Shareholders have approved this in 2009 and again in 2013 with overwhelming majorities. AMG extensively explains to shareholders why it believes that inclusion of shares is a necessary component as it aligns with the interests of AMG's shareholders and since it competes on a global scale, allows AMG to recruit supervisory directors from a global pool of candidates rather than a Dutch/European centered pool. Thank you, Mr. Chairman.

The Chairman: Well, thank you Chairman Depp for answering those questions. Are there any follow-up questions on this item from the VEB?

Mr. Ritskes: I don't agree, but that's your answer.

The Chairman: Okay, in that case, let us move to the vote.

The total number of votes received is 6,832,782, of which
6,831,371 are casted FOR
2 are casted AGAINST
1409 are casted WITHHELD

I confirm that more than 75% of the votes cast are in favour of the proposal and that the proposal is therefore adopted as this proposal requires that a majority of at least 75% of the shares cast is in favour.

9. Re-appointment of KPMG Accountants N.V. as external auditor of the Company for the years 2020 and 2021

The Chairman: The next item on the agenda concerns the re-appointment of KPMG Accountants N.V. as external auditor of the Company for the years 2020 and 2021.

The Audit and Risk Management Committee of the Supervisory Board has completed its annual review and assessment of the functioning of KPMG and its activities for the financial years 2018 and 2019. The result of this review has been that the Supervisory Board and Management Board are more than satisfied with the quality of the services of KPMG as external auditor, including the availability of its knowledge based resources, and the smooth cooperation between KPMG and AMG's financial community. On the basis of the result of this assessment and review of the performance of the auditor during the 2018 and 2019 financial years, it is proposed to re-appoint KPMG as external auditor of the Company for the 2020 and 2021 financial years.

There are no questions about this item from shareholders.

The total number of votes received is 6,832,782 of which
6,832,782 are casted FOR
0 is casted AGAINST
0 is casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is therefore adopted with unanimity.

10. Renewal of the authorization for a period of 18 months as of May 6, 2020 (i) to issue shares and or grant options to acquire shares and (ii) to restrict or exclude the pre-emptive rights for general corporate purposes, and/or for the purpose of mergers, acquisitions, and/or strategic alliances and/or financial support arrangements (voting items).

The Chairman: The next item on the agenda is the renewal of the authorization for a period of 18 months as of May 6th, 2020 to issue shares, grant options to acquire shares and to restrict or exclude pre-emptive rights for general corporate purposes and/or for the purpose of mergers, acquisitions and/or strategic alliances and/or financial support arrangements. The full text of the proposals is shown on the screen behind me.

The authorization provides flexibility amongst others in financing the Company and enables the issue of ordinary shares/grant of rights to subscribe for ordinary shares in respect of share-based compensation plans for employees and/or to act decisively in the case of M&A opportunities and/or strategic alliances and/or financial support arrangements.

The Chairman: There are no questions on these items from shareholders.

The voting results for item 10.i are as follows:

The total number of votes received is 6,832,782 of which
6,396,087 are casted FOR
436,695 are casted AGAINST
0 is casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal under item 10.i and that the proposal is therefore adopted.

The voting results for item 10.ii are as follows:

The total number of votes received is 6,832,782 of which
6,396,085 are casted FOR
436,697 are casted AGAINST
0 is casted WITHHELD

I confirm that a majority of more than 2/3 of the votes cast is in favour of the proposal under item 10.ii and that the proposal is therefore adopted.

11. Renewal of the authorization to acquire shares (voting item)

The Chairman: I proceed with the next item on the agenda. The next item of the agenda is the renewal of the authorization to acquire shares in the Company's share capital. The full text of the proposal is shown on the screen behind me.

This authorization provides the Management Board with the flexibility necessary to manage net equity or to enter into financial support arrangements involving the Company and to respond to any demand for shares in the Company's share capital that may arise at any time. This authorisation may, for example, be used if shares need to be acquired to hedge the Company's share and option schemes.

There are no questions on this item from shareholders.

The total number of votes received is 6,832,782 of which
6.831.373 are casted FOR
0 is casted AGAINST
1409 are casted WITHHELD

I confirm that the majority of the votes cast is in favour of the proposal and that the proposal is therefore adopted.

12. Cancellation of ordinary shares

The Chairman: I proceed with the next item on the agenda. The next item of the agenda is the cancellation of ordinary shares.

On April 8th, 2019, the Company announced the start of a share buyback program for the purposes of funding future share-based employee compensation programs and returning cash to shareholders. On August 10th, 2019, the Company announced the completion of its share repurchase program. The Company repurchased a total of 2,915,630 shares for a total consideration of € 72,234,898 from April 9th, 2019 to August 9th, 2019. It was also announced on August 10th, 2020 that the Company intends to cancel 2,000,000 shares and is retaining the residual amount in treasury to satisfy employee compensation obligations.

The Supervisory Board proposes pursuant to clause 9.1 of the Company's articles of association to the General Meeting of Shareholders to reduce the issued share capital of the Company by cancelling ordinary shares in the share capital of the Company held or (to be) repurchased by the Company. This cancellation may be executed in one or more tranches. The purpose of the cancellation is to reduce the number of outstanding shares in the Company's share capital. The number of ordinary shares that will be cancelled (whether or not in a tranche) will be determined by the Management Board.

There are no questions on this item from shareholders.

The total number of votes received is 6,832.782 of which
6.832,782 are casted FOR
0 is casted AGAINST
0 is casted WITHHELD

I confirm that a majority of more than 2/3 of the votes cast is in favour of the proposal and that the proposal is therefore adopted.

13. Any other business

The Chairman: We have come to the penultimate item on the agenda. Shareholders have not submitted questions in this item. As there are no questions, I conclude this item.

14. Closing

The Chairman: We have come to the final item of the agenda. Before I close this meeting, I would like to thank on behalf of the Management Board and Supervisory Board all employees and staff of the AMG Group for their dedication and performance not only during 2019 but also now into 2020 during the present, very difficult circumstances resulting from the COVID-19 lockdown situation. I also wish to thank all of you, on behalf of the Management Board and Supervisory Board for your attendance and your contributions at this meeting.