

MINUTES
of the Annual General Meeting of Shareholders
of AMG Advanced Metallurgical Group NV (the 'Company')
held on Thursday May 4, 2017 at 13.00 hours at
World Trade Centre (WTC), Amsterdam, Strawinskylaan, The Netherlands

1. Opening

The Chairman: Ladies and gentlemen, I hereby open the Annual General Meeting of shareholders of Advanced Metallurgical Group NV (AMG). My name is Norbert Quinkert and I am the Chairman of the Supervisory Board. I would like to extend a warm welcome to all of you present at this Annual General Meeting of shareholders.

I am very pleased to introduce to you Dr. Heinz Schimmelbusch, our Chairman of the Management Board and CEO; Mr. Jackson Dunckel, to his right, our Chief Financial Officer (CFO); and Mr. Eric Jackson, our Chief Operating Officer, to his right. Furthermore, I am pleased to introduce to you my fellow members of the the Supervisory Board: Mr. Jack Messman, Vice Chairman of the Supervisory Board and Chair of the Remuneration Committee; Mr. Martin Hoyos, Chair of the Audit Committee; Mr. Herb Depp, member of the Remuneration Committee; Professor Steve Hanke, member of the Risk Management Committee; Mrs. Donatella Ceccarelli, member of the Selection and Appointment Committee; Mr. Robert Meuter, member of the Audit Committee, to the left; and Mr. Petteri Soininen, member of the Remuneration Committee.

Mr. Guy de Selliers, Chair of the Risk Management Committee, has excused himself as he is not able to attend due to prior commitments. Also attending this meeting are Mrs. Suzanne Folsom, in the front row, and Mr. Willem van Hassel, beside her. As you can read in the agenda for this meeting, the Supervisory Board proposes to appoint Mrs. Folsom and Mr. Van Hassel as members of the Supervisory Board. Also present is Mr. Ludo Mees, AMG's General Counsel and Corporate Secretary, who will act as secretary of this meeting.

I welcome to the meeting our Dutch Legal Adviser, Professor Martin van Olffen, sitting here in front, as well as our External Auditor, Mr. Tom van der Heijden of the accounting firm KPMG, also in the front row. I would also like to welcome Mrs. Kirsten van Rooijen of Computershare; she is outside, still collecting the numbers. As you will have already noticed she will be responsible for the voting procedure and the registration procedure for today's meeting. Mr. René Clumpkens will vote on behalf of shareholders who have indicated that they want to be represented at this meeting and have not appointed their own representative.

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. The official language of this meeting is English. I will inform you of the number of shares represented at this meeting once Mrs. Van Rooijen has compiled that information. In connection with the orderly conduct of this meeting I hereby inform you that for each specific agenda item only questions related to that agenda item may be asked. Please use the microphone when asking a question and clearly state your name, as well as the name of the person or institution you represent.

The next item on the agenda is the report of the Management Board for the financial year 2016, including the discussion of the Annual Report 2016. I would like to invite Dr. Schimmelbusch for the representation of AMG's strategy and activities in 2016 and the current state of affairs of the company. Thereafter Mr. Jackson Dunckel will provide a summary of the company's financial affairs.

2.a. Report of the Management Board for the 2016 financial year including discussion Annual Report 2016

Dr. Heinz Schimmelbusch: Mr. Chairman, dear shareholders, in the name of the Management Board I also want to welcome you to this General Annual Shareholder Meeting. Steve, slide 1 please, thank you. As I noted in this year's letter to the shareholders, contained in the Annual report, 2016 was a strong year for AMG, both operationally and financially, and also with regard to our environmental health and safety activities. Our success is due to a persistent focus on long-term growth, fuelled by technological innovations.

The global movement to stabilise and maybe one day eventually lower the atmospheric CO₂-levels has led to more thoughtful use of energy, fuel-efficient automotive engines, aerospace engines, energy saving buildings, and clean or semi-green energy production.

To achieve that, material science has to deliver solutions and that is where our critical materials enter the stage. In fact, that is the reason why these materials have become critical. We enable the new, smaller automotive engines to run at higher operating temperatures through the heat treatment of engine parts. We enable jet engines to run at higher operating temperatures through new alloys, such as titanium aluminides and through thermal barrier coatings of turbine blades.

We have developed proprietary recycling technologies, including new plasma furnaces for titanium scrap, which Dr. Holz, head of AMG Engineering, will present in the video following my comments. Our focus on sustainable growth in this particular space – a space which is continuously expanding, given the big supporting trends – has now distilled into a strategic framework that synthesises various growth opportunities and projects and defines the expanding space in which we operate. This new strategic framework aligns closely with the 2016 Dutch Corporate Governance Code, which came into effect at the beginning of this year. The new code emphasises long-term value creation for all stakeholders. By deploying innovating energy saving technologies and doing so with a strict adherence to employee safety, AMG delivers substantial value, not only to our financial shareholders, but also to our employees and the universe of other clients.

We think of the environment as our number 1 client. In this context it is difficult to declare success if you do not define the scale by which you measure success. We can measure success by the CO₂ reduction resulting from our activities in millions of tons per annum. It is fair to say that the equity markets took note of our performance over the past 12 months.

Since we last spoke, on May 4, 2016, AMG's value has increased by 145%, or expressed in market capitalisation, by \$424 million. That exceeds by far our total market capitalisation at the beginning of 2016. Financially 2016 was ahead of 2015. In EBITDA, plus 33%, in operating cash flow and in return on capital employed which now stands at 19% (12% in 2015). As a result of our strong performance, earnings per share increased by 230% and the AMG Management approved a 27 cents per share dividend, a 29% increase over last year's dividend. All nine of our business units performed well, with outstanding results in Engineering, which increased EBITDA by 70%. AMG Superalloys business was able to double EBITDA from 2015 into 2016. Almost across the board AMG businesses outperformed as compared to 2015. The silicon metal and antimony business units were held back by low prices. Looking at the period from January 1, 2015 to April 20, 2017 we see an accelerating value appreciation, 34% in 2015 – talking equity value –, 73% in 2016 and 61% in the year to date 2017, which of course annualized would beat both previous year figures. The EBITDA multiple has evolved from 5.8 in 2015 to 6.4 in 2016 to 8.3 in 2017.

We are working to convince the market that our unique portfolio of protected market position in markets which benefit from these big trends of our time deserves a high multiple even without a reference to lithium. Lithium of course adds to that upward trend as Albemarle for example, the market leader in lithium, trades at multiples of 14. As we have explained before, we are now coming out of a period of self-instructed austerity, with emphasis on eliminating net debt by capex discipline, working capital management, productivity management and process technology. Today we are free of net debt and the high quality balance sheet is a solid platform for growth. Given our lithium investment, however, we will depart moderately from this zero level going forward.

At the same time, while the austerity was ongoing, we carried out an extensive search for qualifying growth projects in each of our units, and performed visibility work for those projects which could be seen as meeting our various hurdles. That was an exhaustive selection process. The result of all of this is a new strategic framework. We presented this strategic framework to the Supervisory Board and received an affirmative vote on executing the concept. The basic idea is to make transparent the combined impact of the various growth projects in a period of up to five years to quantify it and to commit to it. We differentiate three categories of growth initiatives, symbolized by:

- a) Our incremental additions to existing activities not requiring significant capital expenditures;

- b) Non-routine expansion projects in existing product lines with significant capital expenditure requirements;
- c) Transformational projects, such as lithium.

It should be noted that in order to qualify for acceptance into the expansion project portfolio, projects a), b) and c) should have a convincing cash-out incremental EBITDA multiple below 3, with exceptions allowed only under special circumstances. For illustration, one b project is the capacity expansion of our vanadium recycling plant in Ohio, following the bankruptcy filing of our main competitor, actually our only competitor. The outstanding c project is the expansion into lithium as presently represented by the concentrate plant under construction in Brazil, the largest investment of AMG. The Management Board believes we can commit to turning the present EBITDA level, which can be addressed as 100 million, into 200 million or more in five years or less. The lithium project is of course the largest single element to support our confidence in making this statement. One can express all of this in a simple equation. If we start with the present EBITDA level and if we add the incremental EBITDA of the qualifying a), b) and c) projects, we come up with the projected EBITDA level at the end of the chosen planning period. We have run a great number of scenarios. Individual projects are difficult to be planned precisely as you are dealing with the future. We have to account for uncertainties, unforeseen events, accidents, and roadblocks. In any case, the portfolio of qualifying projects delivers a higher quality of forecasting, as uncertainties have a tendency to cancel each other out. The consolidated forecast is likely to have a better quality than the forecast of each single project.

I would now like to comment on the lithium strategy. This lithium strategy has several building blocks. The first is the 90,000 tons per annum spodumene plant – spodumene is a name for lithium concentrate – which is under construction. The second is the second 90,000 ton spodumene plant. We conducted a feasibility study and presently do not see any fatal flaws. Most building blocks are made possible by the exploration research and the increased ore reserves recently published. The third building block is an exercise to figure out whether we should go downstream to capture additional value, and if we want to do it, how to do it. That is a complex analysis which we are undertaking, also involving partners with complementary profiles. News is to be expected in Q3/early Q4. It should be noted that our exploration program is ongoing, targeting so far unexplored areas within our concession limits.

You see the sequence of events here. On July 20, 2016 the Supervisory Board approved the project, and on October 26, 2016 we signed the EPC contract with Outotec. On November 7, 2016 we received the official permit from Brazil's environmental agency approving physical construction. On March 3, 2017 we signed an offtake contract for the first three years of production. That is unusual; we are under construction in the plant, and we are sold out for the first three years. On April 3, 2017 we announced an increase in our lithium reserve. The resource map shows the explored areas where mining activities take place, Volta Grande A and C, as well as the areas which are exploration targets. Our present resource supports a 20-year production period, at 180,000 tons of spodumene per annum. Exploration is ongoing.

The growth of AMG depends on innovations. In each of our activities, our nine units, we strive to be the technology leader, as this secures our market position. In fact, more than half of our sales are the direct result of innovations during the last ten years. As one of our leading innovators, AMG Engineering has been a pioneer in vacuum technologies for over ten years. AMG Engineering is led by Dr. Holz who is joining us this morning.

At this point I will turn it over to him, and he will walk you through one particular innovation that AMG Engineering has brought to bear within the aerospace industry. Following the presentation by Dr. Holz, we will be most happy to follow on presentations in financial terms and then answer questions you might want to ask. Herr Doktor.

Dr. Markus Holz: Dr. Schimmelbusch, thanks a lot. Welcome ladies and gentlemen. Maybe some of you have used new aircraft to come to today's AMG General Shareholder meeting. With a couple of slides I would like to acquaint you with the engine technology. So you have used the aircraft and when entering the aircraft you may have asked yourself: "What is important for me entering and flying in the aircraft?" I am sure a couple of you will have thought about safety ("hopefully the engine will never fail"). The second thing you might be thinking of is fuel efficiency, not only because the tickets are cheaper, but as we are thinking green, you might have thought about the ecological impact, the

footprint. And the third thing you might have thought about is the noise of the engine, in the aircraft while flying, but also when you're living close to an airport, because of the impact of the heavy noise. Talking about that, what can AMG do to improve these aspects? You see here a couple of these targets we have in the future for improving the performance of engines. The targets come from the European Forum for Aviation. This institution, together with all national institutions and also the big aerospace companies, set the targets for the year 2035, by reducing the CO₂ emissions by 60% and the NO_x emissions by 84% and the noise emissions by 55%. Those are heavy targets and we have to ask ourselves what AMG can do to fulfill those targets.

As an engineer, I typically try to complicate things; hopefully I will do it easily. This is the thermodynamics of an engine: you have a compressor where air is compressed up to 30 bars in the core of the engine, which is more or less a cartouche for a propane gas camping stove, so the pressure is very high, and then this hot gas is going through the combustion chamber where the fuel, the kerosene is injected. And this hot stream is then going over the turbine where the temperature increases up to 1600°C, which is below the melting point of most materials. Then the thrust is going all over the engine. At the core of the engine only 20% of the thrust is produced, but 100% of the energy, which then propels the fan that brings the maximum of the thrust. Here we have also a couple of the secrets regarding what we can do as engineers to improve the performance of an engine. It is very simple. Let us have a look. First thing is that you increase the pressure. And if you increase the pressure, you can make this core engine much smaller than the fan. And if the fan is bigger, the more air is flowing about the small part of the engine. And if this happens, the noise is reduced. It is very easy. The second thing you can do is increase the temperature. And that is very important, because herein lies the strength of AMG and ALD Engineering: you can increase the temperature and by increasing the temperature the fuel efficiency increases dramatically. And what have we done in the last years? You see: from the year 1915 up to the year 2020, which is a projection, 2030, there were a lot of developments. In the most of these developments ALD has contributed with a lot of technology, and sometimes even as the only player in the market to this target. Starting with these turbojet JT3C – and maybe you know the aircraft, a B707, this very old aircraft, which has very high fuel consumption – within the last 50 years we were able to reduce fuel consumption by 70%, which is a dramatic reduction of CO₂. If you see all the technologies at the base of this slide – I will not go into details too much – but here is a focus of TBC ceramic coating Dr. Schimmelbusch mentioned beforehand. We have delivered a lot of technological advantages to this industry to make these engines more efficient, and in the end we are working further on that and you see on the right side Advanced Ceramic Materials beyond metals, and also new advanced TBC coating. So we are also working with our research and development heavily to even further reduce the CO₂ impact in the future.

Just one simple example only accounting for the A340 and A330 fleet worldwide, which is 10% of the total fleet flying worldwide: just by coating our airfoils in the turbine to increase the temperature, the estimated fuel saving is 1%, corresponding to 800,000 tons CO₂ less per year. So we are constantly working on implementing more and more of these coated airfoils in the industry, to reduce even more the CO₂ impact in the atmosphere. We are not alone, and you see all these companies working with us, as ALD and AMG Engineering in the AMG Group. You see a lot of companies you know from the slides beforehand. So just to name a couple of them: AMG Titanium Alloys and Coatings – they provide all these famous alloys to make titanium even stronger – you have AMG Aluminum, which has a lot of alloy material for making these aluminum parts of an engine more efficient, and of course you have AMG Superalloys with chromium metal, which is part of the combustion chamber in which the temperature goes up to 2200°C, which can only be handled by such a specific material. And at the end you see even in the turbine we have AMG Superalloys represented, with the newest technology of AMG Titanium Alloys and Coatings, a titanium aluminum alloy, which is also a very famous alloy for making engines more efficient. That is in a nutshell what we are doing for the aircraft engine industry. And another thing – and that is the basis for the film we are showing now – is that during the process of producing an engine you have a lot of revert material. Some may call it 'scrap', but we call it a very valuable material, because if you reuse this material instead of virgin raw material, you can save 90% of the energy. In most cases this is electrical energy, which stands for 'CO₂'. That is why we have invented this new technology. It is a plasma arc furnace, and I would be happy if you like this video where we are showing what this furnace can do for the recycling of this valuable material.

[Video about the plasma arc furnace is shown]

The Chairman: Thank you very much Dr. Holz, and I would like to ask Mr. Jackson Dunckel for his financial presentation.

Mr. Jackson Dunckel: Thank you, Mr. Chairman. I would like to cover a brief review of our results in 2016, an update of our Q1 2017, which we announced today, and conclude by noting the key operational initiatives we undertook in 2016 and year to date 2017.

This page is a summary of 2016 financial highlights, split by our two divisions: Critical Materials and Engineering. Starting on the top left of the page, you can see that our revenue declined slightly in 2016 versus 2015, but this result was comprised of two very different results. A decrease in revenue of \$56 million by Critical Materials, offset by an increase in revenue of \$50 million in our Engineering division. The revenue decrease in Critical Materials is driven by ongoing lower metal prices across our businesses. As we pass through our raw material costs to our customers, lower metal costs mean lower prices to our end use customers. In Engineering on the other hand, strong volume growth, associated with increased demand from the aerospace industry for plasma remelting and turbine blade coating furnaces resulted in exceptional performance for 2016.

Moving to the top right of the page, our gross margin in 2016 increased from 16% to 19%. This increase in margin represented yearly growth in our gross profit of 19% to \$187 million combined for the two divisions. In terms of the two divisions while both Engineering and Critical Materials increased their gross profit by 20%, the reason behind the increase was a bit different. Engineering's gross profit was driven by an increase in volume, while its gross margin declined slightly due to non-recurring restructuring costs. Critical Materials' gross margin improved due to product mix improvement in several of our divisions, such as Superalloys and Titanium Alloys, due to stronger volumes and lower costs in our Tantalum business, and it was also helped by stronger vanadium prices in 2016. In the lower left-hand corner you can see that our EBITDA increased by 23% in 2016 versus 2015. This increase in EBITDA in 2016 to \$100.7 million for the full year was driven by significant increases in both Engineering and Critical Materials. AMG experienced a \$13 million increase in EBITDA. However, this translated to a 22% increase in Critical Materials and a remarkable 82% increase in our Engineering EBITDA. In the lower right-hand corner we summarize our capital expenditures for the year. We increased spending in 2016 to \$44 million, from \$23 million in 2015. This increase was driven by the three key projects Dr. Schimmelbusch mentioned, namely our lithium project in Brazil, which we began spending money on in Q4, the ongoing expansion in our titanium aluminides business, and our graphite mine expansion in Ancyabe.

On this slide and the next one we would like to show you the 5-year development across some of our key financial matrices. As you can see, EBITDA in 2016 is a 5-year high for AMG and represents the result of years of work on cutting costs, improving the product mix, developing new products and driving each of our divisions to be the best performer in each of their individual markets. However, despite our focus on new product development we have been very disciplined on capital deployment. We spent the past four years in a period of austerity in which we limited our capital spending and reduced working capital. The result of this period of austerity can be seen in the chart at the bottom-left of the page. Our ROCE in 2016 at 18.8% was the highest we have seen in the past five years. On the next slide we continue that story of austerity and the intense focus on cash flow AMG has had for the past five years. On the top-right we show the decline in net debt we have experienced due to our focus on working capital reduction and minimizing capital expenditures. This has left us with effectively zero net debt. In addition, as we note on the side of the slide, we renegotiated our credit facility in 2016, increasing our maturity from three years to five years and giving ourselves \$343 million of liquidity. On the bottom-right, the key driver of this increase in liquidity has been our operating cash flow. In 2016, you can see that our operating cash flow was lower than 2015, but this is mainly because we voluntarily invested \$23 million into our US pension funds. If you add that back to our cash flow, we generated almost \$80 million from our core operations in 2016, on par with our performance in 2015. In fact, if you add up the last three years, we generated \$250 million of operating cash flow. This represents 95% of our EBITDA over the same three years. This extremely strong performance was driven by a relentless focus on reducing working capital and it has placed us in an excellent position to pursue our organic growth strategy in lithium and other products. This morning we announced the results of our Q1 2017 performance and I am pleased to say we had a very good quarter. Our revenues were up almost 9%, driven mainly by our Critical Materials division.

We had strong pricing in our vanadium and antimony businesses, as well as strong volume performance in titanium, superalloys and aluminum. Operating profit and EBITDA were both up roughly 60%, driven by equally strong performances in our Critical Materials and Engineering divisions and our fully diluted earnings per share increased to 50 cents per share, up 19% over Q1 2016. Our strong quarter throughout most of our divisions was offset by the fire we experienced at one of our two processing facilities in our plant in Brazil. Furthermore, our mine's only tantalum customer, Global Advanced Metals, purportedly cancelled our contract in March of this year. We are in the process of pursuing multiple legal and insurance remedies to address the loss of income associated with the purported contract cancellation and the fire.

We have some more details on this slide in terms of our two divisions and here again you can see that the stronger quarter was roughly balanced between the two divisions. The gross profit increased roughly 20% in each division and EBITDA increased about 55% in each division as well. In terms of our net debt and cash positions, we finished the quarter with effectively zero net debt and a decline versus the year end 2016.

Operational update

As we detailed in our Annual Report I want to enumerate some of the key operational achievements. At AMG Vanadium we took advantage of the bankruptcy of one of our key competitors to sign a new long-term agreement to process spent catalysts. At AMG Graphite we continued the development of the Ancuabe mine and I am delighted to report that the mine is currently operational and in the process of ramping up production. Our titanium division was selected by MTU under a long-term supply contract to supply titanium aluminides. This contract served to continue the strong growth we are seeing in a new product we developed commercially over the past ten years. As Dr. Schimmelbusch mentioned, one of our key current focus areas is our lithium project and progressed that strongly throughout 2016 and into 2017. AMG Engineering had one of the best years in its history, including ongoing strong order intake. We opened up a new integrated manufacturing headquarter site in Hanau and we also acquired the other 50% of our US joint venture called Holcroft, which we consolidated under the AMG Engineering banner. All in all it was a very good 2016 and a very strong start to 2017. Thank you.

Dr. Quinkert: I would like to thank Dr. Schimmelbusch and Mr. Dunckel for their presentations. At this time I would like to give the shareholders the opportunity to ask questions regarding the Annual Report and the presentations of Dr. Schimmelbusch and Mr. Dunckel. May I kindly ask you when raising questions regarding the Annual Report to refer to the page of the report? Are there questions?

Mr. Ritskes of the VEB: Congratulations with the results. I think it was amazing how you managed last year with the results. My compliments, I am really astonished. My first question is about the film you showed about the airplanes and so. How are competitors doing, and what is the market share of ALD in the total? What are competitors doing, are they ahead of AMG?

Dr. Schimmelbusch: In general our aerospace driven market share across the board can be estimated as 50% of world market share, but in several of our areas we are clearly world leader and sometimes sole supplier to the world aerospace industry. In one particular item – I will not say which one – the situation is such that the aerospace industry has asked us to create a second supplier. So we get paid to create a competitor. I have been around a few years, I have been around the block – this is the first time that this occurred to me, in my professional life. We are creating our own competitor; we service our clients by creating a competitors. For example, Dr. Holz has mentioned plasma furnaces, I would say we have one competitor in this. The last four bids – we are talking \$20 million plus – we won three out of four. In coating turbine blades we are the sole supplier, and as I have said today in our press conference, we are very careful not to over-utilize market positions. Our first and foremost target is of course to get a good return, but we also need to think about the long-term interest of our industrial customers.

Mr. Ritskes; And also on the technology side?

Dr. Schimmelbusch: On the technology side I think we clearly are technology leader in almost all our technologies. It is not only Engineering. I mentioned that in vanadium we benefited from the exit of our only competitor and that is a consequence of technology. Because we applied proprietary self-developed technology which does not use water or create waste water. And our competitor did not

figure this out, so he created waste water. The only way to get vanadium out of waste water is not to put it in. Then our competitor was in the end surrounded by a blue lagoon, because he also recycled cobalt. And now he is gone and we are expanding into that empty market place, because our competitor has left, leaving clients unserved. Most of our strategies are technology based and that implies we have to increase our technology lead constantly, and that is our theme. When Dr. Holz mentioned Hanau, I think we have over 300 engineers at work there. And in most of our other technology centres, from Nuremberg to Ohio, a large percentage of our corporate population consists of engineers and other academic branches necessary for material science.

Mr. Ritskes: If you get a contract and you have only one source where you get your materials from, could it be a problem when one supplier does not have the material?

Dr. Schimmelbusch: AMG counts nine business units and these consist of several sub units. The main units are all 100 years and older. We actually like 100-year old companies, because by the simple fact that they are hundred years they show they are very sustainable.

Mr. Ritskes: Do you have more companies who deliver to you, or is it only one source for some materials?

Dr. Schimmelbusch: We have very few instances where there is only one source.

Mr. Ritskes: That could be a problem.

Dr. Schimmelbusch: Yes, of course, but many things can be a problem in life. But we manage. We have not had a situation in the last 100 years of these companies. They are extremely experienced organisations. Do not forget: when you have only one supplier, you need him, but he also needs you. In most cases you have long-term contracts. Of course there are risks.

Mr. Ritskes: You mentioned the 3-year selling contract. So if you could not deliver the material?

Dr. Schimmelbusch: No, but that is our mine. We do not sell a particular amount, we sell what we produce.

Mr. Ritskes: So it is not an obligation?

Dr. Schimmelbusch: I am looking at our Chief Compliance Officer, who is a senior lawyer. He watches over our contracts. We would not go short; we would sell, depending on production. So we sell our mine production.

Mr. Ritskes: But if at some point the production is not enough, there is no problem?

Dr. Schimmelbusch: Well, it is better to have a high production than to have a low production, because of the money.

Mr. Ritskes: I understand. But there is no obligation to produce a certain amount?

Dr. Schimmelbusch: No.

Mr. Ritskes: Okay, thank you. What I missed in the report is the price of the respective materials. In former issues you gave some charts with the price. Could you give some information on the prices at this moment?

Dr. Schimmelbusch: Well, we have prices across the board assembled still in the lowest quartile of the 10-year statistics.

Mr. Ritskes: Except vanadium.

Dr. Schimmelbusch: No, vanadium is solidly in the lowest quartile. Recently the price of vanadium has increased, coming from an extremely low level. Do not get misled by the high percentage of vanadium price increases, because they start from an extremely low level. In a scale from 1 to 10 the

prices of vanadium is at 1.9, so solidly in the lowest quartile. All the other prices are also in the lowest quartile. Lately, antimony, silicon metal, aluminium alloys, has crossed over to the next quartile. We are very dependent on conversion premiums, not on prices, because with most of our businesses we are not long or short, we convert and we live off of the conversion margin. In vanadium however, and also in nickel, molybdenum and certain qualities of graphite, we are generally long, we depend on long position, and therefore we are leveraged to the price of those materials. And we are very much leveraged to the price of vanadium.

Mr. Dunckel: In terms of access to this information, there is a presentation at the front door, which we publish on our website every quarter, with all the information on our materials and our pricing. Heinz was referring to page 9 of the presentation.

Mr. Quinkert: Are there further questions?

Mr. [name not stated]: I have another question. We have the Panama Papers; there were a lot of publications about it, in Holland also. You know the Panama Papers?

Dr. Schimmelbusch: I do not, can anybody enlighten me?

Mr. [name not stated]: Then I would like to ask the other people. I just wanted to know if some member of the total board has been questioned about the Panama Papers.

Dr. Schimmelbusch: Nobody has been questioned about the Panama Papers.

Mr. [name not stated]: But you did not know about the Panama Papers?

Dr. Schimmelbusch: That was a joke. Any further questions?

Mr. Van der Sommen: My name is Lex van der Sommen, I am a long-term shareholder. About your lithium project, could you explain something about your competitors, it is mentioned before, because I read that one of your competitors, FMC Corporation in the US, is expanding its production facilities with 20,000 tons. Do you not think that would deteriorate the prices of lithium? Because in the past we saw with the silicon activities, the solar activities, with the competition of the Chinese and so on, the prices were very bad. So when more competitors of you are expanding their production facilities, how do you look at this development?

Dr. Schimmelbusch: Behind that question is of course a very complex structure of the whole industry in lithium. In lithium, which is a very old industry, you have Albemarle, FMC and SQM in Chile that are the three big producers of brine based lithium. We are not brine based, we are mineral based and there are very few mineral based lithium producers. And the principal ones are associated with tantalum. Talison comes to mind, which is the only real large spodumene producer right now. The only one. Spodumene mineral based lithium is feeding higher qualities in the market, and the market is practically all in China. We have very low risk in this, because our costs are extremely low. We are the cost leader in the lithium market and that means that at present prices our margins are very high, so there is a lot of room where we still are very profitable in falling price scenarios. And then of course we have a minimum price in our 3-year supply contract. And even if it falls to minimum price, we make very good money. At the minimum price, which is a contractual price. We are doing this for a living and therefore we are trying to de-risk such projects, by preselling and doing contracts which shield us against unpleasant market situations.

Mr. Van der Sommen: Leaving FMC Corporation out of consideration, do you see expanding activities of other competitors too?

Dr. Schimmelbusch: Everybody is expanding and the biggest expansion happens in the market. The demand has started to expand very recently, and is trying to catch up. We actually offered one year – we wanted to just sell the first year – and the customer we were negotiating with said: “I need three years.” It is rare that somebody buys all of what you produce and multiplies that by three. So the market is very strong.

Mr. Van der Sommen: Then I have second question. Are you worrying about possible alternatives for lithium in the next four years?

Dr. Schimmelbusch: No.

Mr. Van der Sommen: Not at all?

Dr. Schimmelbusch: No. Well, you invited me to worry, but I do not.

Mr. Van der Sommen: Do you expect it, or do you see something?

Dr. Schimmelbusch: No, I just said “no” and I did not make a footnote.

Mr. Van der Sommen: I read an article of an analyst about the lithium companies in the world. It was a very good, interesting story, but at the end he said: “No, I do not have any shares”, because there could be alternatives in the future. That was the reason he owned no lithium shares.

Dr. Schimmelbusch: He did not?

Mr. Van der Sommen: No, he did not.

Dr. Schimmelbusch: Well, that is too bad for him; he would have made some money by buying lithium shares.

Mr. Van der Sommen: You do not see a threat?

Dr. Schimmelbusch: I cannot be more clear, I said “n”, “o”.

Mr. Van der Sommen: I have one further question. The stock price did very well; we saw it rising from \$5, \$6, \$7 to now \$25. But you are still a small company with a market capitalization of \$700 to 800 million, much less than \$1 billion. We saw a lot of M&A activity in Europe, we saw Akzo, Unilever. Big American companies are interested in European companies. Do you think with the company firing all cylinders it could be a target for bigger companies, with a market capitalization of \$20 to 30 billion?

Dr. Schimmelbusch: Yes, that is in fact something we discuss sometimes, and that is why we are very happy we have quadrupled the value of the company. That of course is an inverse relationship to the probability of being taken over. We want to develop the value of AMG in a sustainable way and we do not want to be interrupted by some guys who want to play games. We are developing the company in a sustainable way, at least we try. And if somebody has a strategy to acquire us, it would be probably interrupting such a strategy and therefore we would not be welcoming such initiative. But maybe somebody very charming comes along and has consistent ideas; then we would welcome them.

Mr. Van der Sommen: A last question. You are very hesitant about the future, about next year. Why are you not more positive about the prospects for this year, with such very good figures?

Dr. Schimmelbusch: That question is being asked frequently. It is because we are such cautious people. We are very conservative, we are notoriously conservative. We want to outperform, not overpromise.

Mr. Ritskes (VEB): In the Annual Meeting of 2014 Mr. Schimmelbusch mentioned that the Engineering part at that moment was performing very badly. And you mentioned that a normal EBITDA should be around \$30 million. Is this the target at this moment?

Dr. Schimmelbusch: That is what it is now, it is not the target; we are performing around those figures. Dr. Holz, he is sitting there, he was giving this excellent introduction into aerospace basics, when did you join?

Dr. Holz: At the end of 2012.

Dr. Schimmelbusch: So, in 2014 he was still running around the soccer field, getting warmed up.

Mr. Ritskes (VEB): So it is completely his merit?

Dr. Schimmelbusch: He is one of 450 engineers, but he is a leading one. We run our business units by CEOs; who have the whole responsibility, other than strategy, which is my responsibility, other than operations, which is the responsibility of Mr. Jackson, other than finance, which is the responsibility of Mr. Dunkel. But they are full-fledged CEOs in their own right, and Dr. Holz has done an excellent job in turning this company around. But the most important thing here is that we have changed radically our product offering. In 2014 and earlier we were very much dependent on the steel industry. The typical furnaces we historically offered to the market were offered to the high performance steel producers, high purity steel. Today, that is no longer important to us. The market is still there, occasionally we sell a furnace, we are in powder metallurgy, we are in coatings, in heat treatment services, we are in a variety of recycling technologies including plasma, and we are in those areas able to handle circumstances which are unheard of. In this video you saw that in plasma we are handling temperatures very hot. So, a lot of technology is required, which we have to develop, and that is why we are so confident. Because if a competitor wants to show up, he has to spend quite some time, measured in ten year intervals, to catch up. We are I think at the top of the pyramid of the German metallurgy industry.

Mr. Ritskes (VEB): Then on the division of the end market. So you give in 22% special metals, 15% energy, 40% transportation, 23% infrastructure. Is this the right division or do you intend to change it?

Dr. Schimmelbusch: No, we are very happy to be very diversified in regard to end markets.

Mr. Ritskes (VEB): But, with these percentages?

Dr. Schimmelbusch: It is not very much on our mind, other than that all these end markets are somehow related to the big trend which is fuelling us. When we are selling to the world's largest chemical company – I do not want to name this company – then we are selling to that company because we are toying insulation materials which enable that company to be the world leader in insulation materials end market. Which is directly related to CO₂ reduction targets of all governments around the world, because they are subsidizing insulation materials in order to prevent infrared waves going through walls, and that then has energy saving effects. So that is then on the infrastructure. As mentioned we are coating turbine blades. We enable companies like General Electric, Pratt & Whitney, Rolls Royce, Praxair to coat turbine blades, because if you coat turbine blades, you can fly with 1,500°C. Otherwise you would have to fly with maximum 1,300°C, because high performance steel used for these turbine blades oxidizes at 1,300°C. We enable them to fly with higher temperatures and that directly creates CO₂ reduction. The combined impact of our main products has a CO₂ mitigating effect of 28 million tons in 2016. I do not know of any other company which has achieved this kind of position in this market. We are very happy to be in this CO₂ reduction market, whether it is infrastructure, aerospace, or the automotive market. We treat millions of engine parts for the automotive engines in the new generation of hot running engines, because of fuel efficiency. The common denominator of all of these things is gasified in different end mark, but the real denominator is CO₂ reduction. Herr Doktor, right? I always address him as the most intelligent man in our company, Dr. David White, he is a summa cum laude physics Doctor from the University of Oxford and he is running our environmental logic empire.

Mr. Ritskes (VEB): Okay, then I have a question on the members of the Supervisory Board. Mr. Soininen and Mr. Meuter were appointed as members of the Supervisory Board in 2014. On that day we saw a big agreement between the company and RWC. Now Mr. Soininen is stepping down. I would like to hear more about why he is stepping down, because he was appointed till 2019. And second: what happened in the last two years? Because as outside shareholders we saw that first there was buying by RWC to 20%. Last December they sold out and now they have 10.7%. Mr. Soininen, if he gets away, okay, then the remainder of 10.7% would be sold. But as outsider shareholders we do not know what has been achieved in the last two years. So I would like both gentlemen to give more information to the shareholders about what happened in the last two years.

Mr. Norbert Quinkert: Well, perhaps Mr. Soininen can answer that question.

Mr. Soininen: Let us first answer the question why I am stepping down from the Supervisory Board. Two years ago RWC and AMG completed their Relationship Agreement for a period of two years, which is now ending and it is a natural moment for me to step down from the board. With regard to the achievements in the Supervisory Board: all the discussions within the board in the governance context of the Netherlands are confidential so I am not allowed to make any comments to that. I can only refer to the observable facts of the very important strategic decisions that were made, which have been public and were publicly announced in the past few years. And obviously with the presentations this morning and now during this meeting we are giving everybody an equal footing in terms of the plans of the company going forward. One final point on the remaining share of RWC: I am here in my capacity as a Supervisory Board member, but I can allude to RWC with one comment. RWC does not comment on trading decisions to buy or sell in public in any way and any case.

The Chairman: But let me add, we are good friends.

Dr. Schimmelbusch: Rob, do you want to add something?

Mr. Meuter: Let me first say I am not a representative of RWC. I did not know the company until two months before I was appointed here. So I am going to stay as a representative, I am not a representative, I am independent. With regard to what has been discussed and what has happened, I think, look at the share price. As Supervisory Board director I am pretty happy with this company and the way it is developing.

Mr. Quinkert: Thank you Rob, any more questions? This does not seem to be the case. So as all questions have now been answered I now conclude the agenda item.

The next agenda item is the Report of the Remuneration Committee of the Supervisory Board for the 2016 financial year. In accordance with Dutch legislation, AMG believes it is important to be transparent on its remuneration policy and the implementation of such policy. Mr. Messman, chair of our Remuneration Committee, will therefore now give a presentation on AMG's remuneration policy. I now pass the floor to Mr. Messman. After his presentation Mr. Messman is happy to answer any question you may have in relation to the remuneration of the Management Board of AMG.

2.b Report of the Remuneration Committee of the Supervisory Board for the 2016 financial year

Mr. Messman: Good afternoon, my name is Jack Messman, I am the Chairman of the Remuneration Committee. Today I am going to talk about the AMG compensation system, the basics mechanics of it, the 2016 bonus results, the long-term incentive plans that we have, observations about our compensation system and then talk about the results of the Willis Towers Watson study that was done. Willis Towers Watson is perhaps the largest compensation policy consultant in the world.

Next slide please. These are the components of our Management Board remuneration. There is base salary, there is an annual bonus system, sometimes referred to as short-term incentive, and then we have long-term incentives which are in the form of stock options and performance share units. All components are determined by market date, derived from a comparison with a group of companies known as the peer group. The peer group has been reviewed and changed in 2016 upon the advice of Willis Towers Watson, our independent compensation consultant. This is a negotiation between our consultant, the Management and the Remuneration Committee to arrive at these companies. There are 17 companies, 11 are US based companies, 4 are UK companies and 2 are European companies. They are in the metals business, the specialty chemicals business and other technologies relevant to AMG. The data is analysed, it is public data for these companies that are analyzed by Willis Towers Watson. These 17 companies are the companies that we compete with for sales and executive talent. Our compensation target is 50th/60th percentile of the peer group and we follow a US centric approach in determining executive compensation, which is the basis at which we have been compensating since our formation. Our top executives live in the US and about a third of business is in Europe and a third in North America. The rest of the world is the final third.

Short-term incentives are based on an annual budget, approved by the Supervisory Board and that drives the metrics for the entire year in the compensation. The metrics are: 40% weight factor for ROCE, 40% for operating cash flow and 20% based on personal targets for each of the executives. The short-term incentive is a percentage of the salary. You can see the target bonus is ranged from 85% for the CEO to 65% for the COO and CFO. You can see where the competition of the peer group

shows up at the 50th percentile. These are higher than our numbers. So our target bonuses are below the 50th percentile of our peer group.

Next slide. These are the bonus results for 2016. You can see the performance in the first column. These numbers were reviewed and approved by the Remuneration Committee and compared against the budget that the Supervisory Board approved last year. As you can see it ranges from 269 to 283. The weight is 40-40-20 and when you do all the multiplication the overall performance is 276%. We had a very good year for performance and shown in the first column is the performance in each of the categories. Next please.

Based on management superior performance the payout percentages are calculated at the top of the page. Target bonuses x performance factor gives you the percentage. Those payout percentages are then used at the bottom of the chart. We calculate the actual bonus amounts: salary x payout percentage equals dollars of bonus. Our management team performed well in 2016 and the bonus amounts reflect that performance.

The next slide concerns long-term incentives. We split long-term incentives between stock options (SO, 20%) and performance share units (PSU, 80%). With regard to the stock options management must pass a 3-year average ROCE in order to be eligible for the program. And then it vests 50% after 3 years and 50% after 4 years, so we have some retention factor there. The options have a 10-year life and that gives the executive the time to exercise the options after they are vested. The exercise price is at market price on the date of grant to the executive. For performance share units again they must pass a 3-year average ROCE threshold to be eligible and our compensation consultant tells us this is very tough for the management to get through. I call it a "gate in order to participate". It is measured on total shareholder return and the payout is based on our total shareholder performance versus the Bloomberg World Metal Fabricate/Hardware Index. We must be above the 25th percentile for any payout and if we want to earn our 100% long-term incentive we have to be at the 50th percentile or better.

The next chart offers some of the history on our PSU plan. In 2013 we were only at the 25th percentile of our peer group and only 25% of the PSU were vested and paid out. 2014 and 2015 were difficult years. We were below the 25th percentile of peer group and 0% vested. In 2016 we were at the 60th percentile of the Bloomberg index which yielded a 115% payout for the management and vested in 2016. That was for an award that was made in 2013, it takes 3 years ROCE to get these vested. And in 2017 with total shareholder return at 90th percentile of the Bloomberg index it yielded a 175% payout, for a PSU award that was made in 2014. So in 2016 and 2017 AMG's stock price performance was at the 60th and 90th percentile respectively of the Bloomberg World Metal Fabricate/Hardware Index. This was due to management performance which caused our stock price increase by 198% since January 1, 2015. Next chart please.

Our metrics for 2017 will be the same as for 2016: 40-40-20 and those metrics that we showed you earlier. We will continue to rebalance our components of compensation. Generally we keep salary increases flat or moderate and we will maintain our long-term incentives tied to shareholder return. Our new compensation adviser Willis Towers Watson has completed its review of the Management Board and the Supervisory Board. This review was initiated following the agreement reached by AMG and its largest shareholder RWC in March of 2015.

Next slide please. The results of that study by Wilson Towers Watson are as follows:

- Current policy and structure of the remuneration of the Management Board is in line with the practice as exercised by AMG's peers; no material issues identified in current Remuneration Policy.
- The Supervisory Board has decided to first review implications of the new Dutch Corporate Governance Code on remuneration before we make a decision whether to propose changes to the Remuneration policy for the Management Board.
- Remuneration of the Supervisory Board is generally comparable and in line with its peers; compensation of the Chairman is low compared to our peers, but the Supervisory Board has resolved not to propose a change in current level of compensation until we get the study done.
- WTW has also carried out a pay-for-performance alignment assessment of the CEO function. We have done this for all the executives and it is shown on the chart.

Let me explain this chart. If you draw a 45° line between the vertical and the horizontal axes, you get what I would call a perfect balance between performance and compensation. If you consider one standard deviation on either side of that 45° line, you create what we call a “fairway”. And you golfers will understand what this means. On the left side of this chart we do a 3-year average of CEO pay, which includes bonuses and long-term incentives. There is a lot of variability if you just look at a one year comparison and we use a 3-year analysis to be more indicative of long range performance. On the bottom of the chart you have total shareholder performance percentile versus our competitors. Now let me direct you to AMG, that dot on the right-hand side of the chart. If you look at that and go horizontally to the left, you will see that our CEO compensation is at the median, right in the middle of what our peer group pays. If you look at that dot and you go down, you will see that our performance is almost at 100% of the peer group. This means that our CEO pay is well aligned with pay-for-performance results of our peer group. Now, a couple more observations. If you are in lower right-hand quadrant of this chart – which we are – you are under-compensating the management and could be at risk of losing them. If you are in the upper left-hand side of the chart you are overcompensating your executives and need to consider changes. This chart is developed by our compensation consultant. They had to crunch a lot of numbers and each of these dots represents a member of the peer group. I have done it three years in a row now and I believe AMG has either been on the bottom line or to the right of it for the last three years. So I think our compensation system is working and we have alignment between what our executives are paid and the value we are delivering to them and the performance they are delivering to the shareholders. Next chart please.

US proxy advisers like Glass Lewis and more recently ISS review relative performance in addition to shareholder return. This exhibit below compares AMG’s performance in seven measures ISS reviews; Glass Lewis considers a subset of these measures. AMG’s total shareholder return, EBITDA growth and ROCE are all in the top quartile. I think that if you look at the left-hand side to net revenue growth and operating cash flow, you will see that we are somewhat below that. And I think that in the assessment of the Remuneration Committee these results were due to elements beyond the control of the management, primarily what has happened to metals prices in the last two years. Had we had a better environment, we would have done better on those two measures. So the Supervisory Board and the Remuneration Committee are very pleased with the performance of the companies’ management as reflected in total shareholder return, and we believe our system is working. Mr. Chairman, that completes my remarks.

The Chairman: Thank you. Are there any questions?

Mr. Ritskes (VEB): Could Mr. Messman go back to the first slide of the presentation, where you see the peer group? There you see 11 US, 4 UK and 2 European. AMG is more or less a European company. How many of these companies have the same turnover as AMG?

Mr. Messman: I think of the 17 companies in the peer group 6 are below us in size and others are bigger. As a result of those other companies being much bigger we look at the 25th percentile of the numbers as being a relevant reference point to us, because we are lower in size of revenues.

Mr. Ritskes (VEB): I am still hesitating because AMG is a very small company, with a turnover of less than \$1 billion, 3,000 people, and I think it is overdone, what you pay as a salary and a bonus.

Dr. Schimmelbusch: Well, last time it was 3,000.

Mr. Ritskes (VEB): Looking at the total, I am considering voting against this.

Mr. Messman: Do you not think the performance is there? We think the performance is there.

Mr. Ritskes (VEB): Nonetheless, but we have the discussion in Holland that 20% of the salary could be paid out in bonuses, and so on. You are more or less also a Dutch company, so that is my hesitation.

Dr. Schimmelbusch: Well, in all reference and devotion to the Dutch market we are not operating in Holland, we are operating worldwide and the executives we hire are not hired in Holland. They are hired worldwide and executive compensation has to reflect that. We have no peers in Holland; there is no other company of that nature in Holland. We are running a variety of peer groups. We have asked

a neutral expert to select a peer group and we partly disagree with that peer group, but that is why you have neutral experts who have their own opinion. And then you follow them in their compensation advise. That concludes my comments on this.

Mr. Messman: We do not believe that where you list your stock is indicative of how you compensate your employees.

Mr. Ritskes (VEB): Okay, I understand, that is okay.

The Chairman: Any further questions? This is not the case and I conclude this agenda item. 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, also in view of the fact that this policy has been amended fairly recently in 2015. I would like to pass the floor to Dr. Schimmelbusch to explain the change in dividend policy.

2.c Discussion of dividend policy

Dr. Schimmelbusch: Our dividend policy was established in 2015. We paid 21 cents per share in 2015. In 2016 we paid 27 cents, an increase of 29%. We do not want to change any dividend policy here, we have discussed this topic in many ways. There have been suggestions to tie dividend to net income, which we do not do because of the volatility of net income, which is partly not in control because of questions of tax rates. Those tax rates may be distorted sometimes by currency movements in Brazil. That should not influence dividend. I would predict that we will stay in that kind of percentage. Of course, if you have such a share price explosion which we had, outperforming every other stock in Amsterdam, if the stock price doubles the yield goes to 50%. We stay where we are, we expect no material change.

The Chairman: Thank you Dr. Schimmelbusch. I only would like to add that AMG's strong balance sheet and liquidity as well as the Board's confidence in our long-term ability to generate cash flow provide a solid basis to continue this new dividend policy. I would like to give the shareholders the opportunity to ask questions regarding AMG's dividend policy. Are there any questions? This is not the case and I conclude this agenda item.

I can inform you that according to the attendance list 14,460,653 shares are present or represented at this meeting, representing 50.4% of the company's issued share capital.

3.a. Adoption of the 2016 financial statements

The Chairman: The next item of the agenda is the adoption of the 2016 Financial Statements. As already indicated by Mrs. Van Rooijen the full text of each proposal that is put to a vote will be reflected on the screen behind me at the moment such proposal is put to a vote.

's Financial Statements have been audited by KPMG N.V., the company's external auditor. The unqualified audit opinion may be found on page 129 of the Annual Report. Mr. Van der Heijden of KPMG will first give a brief presentation about KPMG's audit activities.

Mr. Van der Heijden (KPMG): Thank you, Mr. Chairman, good afternoon ladies and gentlemen. Before I address possible questions I would like to provide you with a short overview of the audit of the 2016 AMG Financial Statements. Our audit primarily focuses on the consolidated and company Financial Statements, as also highlighted in the long-form auditor's report which can be found on page 129 of the Annual Report.

Our responsibility 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. With respect to the Management Board Report we examine whether the report has been prepared in accordance with the Dutch law and whether the specific information therein has been consistent with the Financial Statements and does not contain material misstatements. The long-form audit report consists mainly of four areas in which the report is made specific for AMG. First, the audit approach; second, the scope of the audit; third, key audit matters; and fourth, the audit opinion. The overall audit approach is discussed with the management and the Audit Committee in advance of the start of the audit and the key audit matters and the audit opinion are discussed prior to finalization of the audit.

The first area contains the audit approach including materiality. On an annual basis during our planning phase we performed an extensive risk assessment and determined key audit matters. We evaluated AMG's business as a whole and per segment Critical Materials and Engineering and determined whether any area required specific attention. We assessed how AMG's processes, IT systems and internal control measures safeguard the information flow within the company and whether there are any specific risks associated with it. For technically complex areas we used KPMG specialists, among others in the areas of taxation, valuation of investments, environmental provisions, share-based payments, financing and impairment calculations.

The materiality applied to the audit is both relevant to planning our audit and in valuating the effect of the identified misstatements, based on our professional judgement. We have set materiality for the Financial Statements as a whole at \$2.3 million. Materiality is set at 4.4% of the consolidated profit before tax from continuing operations. We agreed with the Audit Committee that we would report any identified misstatements to them over and above \$150,000. There were no unadjusted audit differences identified.

The second area contains the scope. In our audit we insure that local KPMG offices are involved in the audit of foreign subsidiaries. In total 16 components in 6 countries were included in the 2016 AMG group audit scope; amongst them the US, the Netherlands, Germany, France, Brazil and the UK. These are in addition to the countries in which local statutory accountants are also audited. The local KPMG auditors operate under a detailed auditing procedure from the group. On a rotational basis we performed site visits to the larger components at specific locations. The group audit team visited all locations except for France in the first year audit and performed the audit of these operations. In addition the group audit team performed audit procedures of the most significant areas of the Financial Statements: AI, income tax, valuation of goodwill, environmental provisions, valuation of investments, share-based payments and the refinancing. The mentioned procedures performed resulted in coverage of 97% of revenues and 95% of total assets, through the total full scope audits through full scope audits, audit of account balances, and specified audit procedures; a very high percentage.

The third area is the key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance to the audit. These matters could for instance relate to perceived increased risk of error or significant areas of judgement or estimate. We have communicated the key audit matters to the management and to the Audit Committee. In the current we determined the following key audit matters: revenue recognition of project sales, sales of goods and non-standard sales agreements, valuation of investments and valuation of deferred tax assets. For a description of these key audit matters including our responses, observations and conclusions I refer to the external audit report in the back of the Annual Report (page 129 and further). And finally that leads to the opinion; we issued as mentioned by the Chairman as an unqualified audit opinion on the consolidated and company Financial Statements. This concludes my short presentation of the annual audit of 2016 of AMG.

The Chairman: Are there any questions on the Financial Statements? This is not the case. I would like to put the proposal to a vote and give the floor to Mrs. Van Rooijen for instructions on the electronic voting.

Mrs. Van Rooijen: Thank you Mr. Chairman. May I ask you to insert your smartcard into the keypad with the chip facing them? Your name will appear on the display. If this is not the case, please raise your hand. No problems? So once the resolution has opened you have the following options: Press "1" to vote in favour of the proposal, press "2" against the proposal and press "3" to withhold/abstain from the proposal.

The Chairman: I request now Mrs. Van Rooijen to activate the voting system. The keypad will now display the voting options. To cast your vote, press the appropriate button on your keypad. Press "1" to vote in favour of the proposal, press "2" against the proposal and press "3" to withhold/abstain from the proposal.

I now declare the resolution opened. Please cast your voting by pressing the button of your choice. You have 5 seconds remaining to cast your vote.

Ladies and gentlemen the vote on the adoption of the 2016 financial statements is closed.

So the total number of votes received is 14,254,794. Against 24,306, abstained 181,551. I can confirm that the majority of the vote has been cast in favour of the proposal and the proposal is adopted.

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

The Chairman: The next item on the agenda is the proposal to the final dividend distribution which proposal is also shown on the screen behind me. In line with the revised dividend policy as discussed earlier, the Management Board proposes a final dividend of €0.27 per ordinary share. This proposal has been approved by the Supervisory Board. On August 16, 2016, the interim distribution of €0.13 per ordinary share was effected; this will be deducted from the total dividend distribution, making the final dividend €0.14 per ordinary share. The final dividend of €0.14 per ordinary share will be made payable on May 16, 2017, to shareholders of record on May 9, 2017. The ex-dividend date will be May 8, 2017.

Are there any questions? This is not the case. I would like to put the proposal to a vote.
I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice. You have 5 seconds remaining to cast your vote.
Ladies and gentleman, the vote on the final dividend distribution is closed.

The total number of votes received is 14,460,645. Against are 3 votes, abstaining are 2 votes.
I can confirm that the majority of the votes have been cast in favour of the proposal and that the proposal is adopted.

4. Discharge of liability of the members of the Management Board for the 2016 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 2016 for the 2016 financial year. Are there any questions regarding this proposal? Since there are no questions, I put the proposal to a vote.

I request the voting system to be activated. I declare the resolution opened, please cast your vote, by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The total number of votes received is 14,267,544. Against are 11,563 votes, abstaining are 181,554 votes.

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

5. Discharge of liability of the members of the Supervisory Board for the 2016 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 2016 for the 2016 financial year. Are there any questions regarding this proposal? Since there are no questions, I put the proposal to a vote.

I request the voting system to be activated and I declare the resolution opened. Please cast your vote, by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The total number of votes received is 11,219,365. Against are 11,563 votes, abstaining are 3,229,722 votes.

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

6. Composition of the Management Board

The Chairman: The next item on the agenda is the composition of the Management Board. We will now proceed with the proposal to reappoint Mr. Eric Jackson as Chief Operating Officer and member of the Management Board. The current term of Mr. Jackson who serves as COO and member of Management Board ends in 2017. In accordance with the Articles of Association of the Company, the Supervisory Board has made a binding recommendation to reappoint Mr. Jackson as member of the Management Board. It is the intention of the Supervisory Board to reappoint Mr. Jackson in his role as

Chief Operating Officer after today's meeting. The Supervisory Board proposes to re-appoint Mr. Jackson in view of his excellent performance as Chief Operating Officer and his significant contribution to the Management Board's focus on operational excellence, debt reduction and working capital management besides his international and managerial and industry experience. Mr. Jackson has performed and continues to perform very well in his role as Chief Operating Officer particularly by streamlining the organization into an effective and cost-efficient operation. The details of Mr. Jackson can be found in the explanatory notes to the agenda for this meeting and on AMG's website.

Are there any questions regarding this proposal? This is not the case. I hereby put the proposal to a vote.

I request the voting system to be activated and I declare the resolution opened. Please cast your vote, by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 14,460,664. Against are 3 votes, withheld 0 votes. I can confirm that the majority of the votes have been cast in favour of the proposal and that the proposal is adopted. Thank you very much Eric, and congratulations.

7. Composition of the Supervisory Board

The Chairman: The next item on the agenda is the composition of the Supervisory Board. The Selection and Appointment Committee of the Supervisory Board consisting of Mrs. Ceccarelli and myself has been active during the past months to complete its review of the composition of the Board as the terms of Mr. Messman, Mr. Hoyos and Mr. Depp will end after this Annual General Meeting.

The Supervisory Board has reviewed its profile in 2016 and has agreed on an updated version thereof, published on AMG's website. Of the current board members whose term is ending at this Annual Meeting, Mr. Hoyos has indicated that he is not prepared to be nominated for another term. The Supervisory Board regrets but accepts that decision and wishes him all the best in his future endeavours and thanks him for his eight years of dedication and services as member of Supervisory Board and Chair of the Audit Committee during the past four years.

Also Mr. Petteri Soininen has requested to step down after having served on the Supervisory Board since 2015. Mr. Soininen joined the Supervisory Board in 2015 as non-independent nominee of AMG's largest shareholder RWC European Focus Master Inc. (RWC) after RWC had entered into a Relationship Agreement with AMG. The Relationship Agreement comes to an end after this General Meeting of Shareholders and Mr. Soininen wishes to retire as a member of the Supervisory Board on that date. The Supervisory Board wishes to thank Mr. Soininen for his dedication and service and wishes him well in his future endeavors.

Mr. Jack Messman, Chair of the Remuneration Committee and Board member since 2007 has indicated that he is prepared to be reappointed to the Supervisory Board for a term of two years, which will be his final term.

Also Mr. Depp, who has served on the Board since 2014 and is a member of the Remuneration Committee, has indicated that he is prepared to be reappointed to the Supervisory Board, in his case for a term of four years.

Taking into account the aforementioned considerations at the revised profile of the Supervisory Board, the Board has approved in its meeting of March 17, 2017, the proposed nominations by the Selection and Appointment Committee and is honored to present two excellent candidates to fill the vacancies created by Mr. Hoyos and Mr. Soininen, who are Mrs. Suzanne Rich Folsom and Mr. Willem van Hassel as new independent members of the Supervisory Board.

a. Mr. Jack Messman

The Supervisory Board proposes to reappoint Mr. Jack Messman as independent member of the Supervisory Board for a term of two years until the Annual General Meeting in 2019. The Supervisory

Board proposes to re-appoint Mr. Messman in view of his technical and natural resources background, his vast international and management experience and the way he has fulfilled and fulfils his role as member of the Supervisory Board and as Chair of the Remuneration Committee since 2013. The Supervisory Board believes it is critical that Mr. Messman continues as Chair of the Remuneration Committee for another period of two years in order to lead the remuneration review process in view of the recently adopted new Dutch Corporate Governance Code.

b. Mr. Herb D. Depp

The Supervisory Board proposes to reappoint Mr. Herb Depp as independent member of the Supervisory Board for the maximum term of four years until the Annual General Meeting in 2021. The Supervisory Board proposes to re-appoint Mr. Depp in view of his excellent contribution as Supervisory Board member and as member of the Remuneration Committee, his technical and engineering background, his international and management experience and his extensive experience in the aerospace industry, as we heard one of the major end markets AMG is serving.

c. Mrs. S. Rich Folsom

The Supervisory Board proposes to appoint Mrs. S. Rich Folsom as independent member of the Supervisory Board for the maximum term of four years until the Annual General Meeting in 2021. The Supervisory Board proposes to appoint Mrs. Folsom in view of her knowledge and experience in the US steel industry which is highly relevant for AMG's critical materials businesses. Furthermore, Mrs. Folsom is being nominated in view of her extensive legal and compliance experience and background and her vast experience in the international business community and international public policy arena. The details of Mrs. Folsom can be found in the explanatory notes to the agenda for this meeting and on AMG's website. Upon her appointment Mrs. Folsom will also be appointed as member of the Remuneration Committee.

d. Mr. Willem van Hassel

The Supervisory Board further proposes to appoint Mr. Willem van Hassel as independent member of the Supervisory Board for the maximum term of four years until the Annual General Meeting in 2021. The Supervisory Board proposes to appoint Mr. van Hassel in view of his broad knowledge and experience as Dutch legal and corporate governance expert and his extensive experience as supervisory board member and as administrator and leader in various capacities in the Dutch legal and judicial environment. The details of Mr. Van Hassel can be found in the explanatory notes to the agenda for this meeting and on AMG's website. Once appointed, Mr. Van Hassel will be appointed as member of the Selection and Appointment Committee.

Having said this I now wish to proceed with the voting regarding the proposed appointments. Are there questions regarding these proposals?

Mr. Ritskes (VEB): At the Annual General Meeting of 2014 it was said that the number of member of the Supervisory Board should be diminished. Now we are still at nine members. What is your opinion about that?

The Chairman: We have not had any idea to change, because with the different skill sets the people in the Supervisory Board have, we are very happy; because we have people from all kinds of industries, as well as people with a financial and legal background. So we are happy with the composition of the Supervisory Board.

Mr. Ritskes (VEB): But did I misunderstand at the time Mr. Soininen came in, one of his complaints was the number of members of the Supervisory Board? Or is that still confidential?

The Chairman: Well, that was Mr. Soininen's complaint.

Mr. Ritskes (VEB): At that time, one of the complaints of RWC was that the number of people in the Supervisory Board was too high.

The Chairman: This was not the view of the Supervisory Board.

Mr. Ritskes (VEB): Okay, thank you.

The Chairman: Since there are no further questions I hereby put the proposals to a vote, starting with the proposal to reappoint Mr. Messman as member of the Supervisory Board.

Voting Mr. Jack Messman

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The total number of votes for the proposal is 11,368,575. Against are 3,074,070 votes, withheld is 1 vote.

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

Voting Mr. Herb Debb

I would like to proceed with the proposal of the reappointment of Mr. Depp, as also shown behind me.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 11,368,575. Against are 3,074,068 votes, withheld are 6 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and that the proposal is adopted. I congratulate Mr. Depp with his appointment.

Voting Mrs. Suzanne Folsom

I would like to proceed with the proposal of the appointment of Mrs. Folsom, as also shown behind me.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 14,451,629. Against are 9,014 votes, withheld are 5 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and that the proposal is adopted. I congratulate Mrs. Folsom with her appointment.

Voting Mr. Willem van Hassel

I would like to proceed with the proposal to appoint Mr. Willem van Hassel, also shown behind me.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 11,381,675. Against are 3,078,968 votes, abstaining are 5 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted. I congratulate Mr. Van Hassel with his appointment.

8. Renewal of the authorisation to (i) issue shares and/or grant options to acquire shares and (ii) to restrict or exclude the pre-emptive rights for general corporate purposes

The Chairman: The full text of the proposal is shown on the screen behind me. The authorisation provides flexibility in financing the Company, enables the issue of ordinary share/grant of rights to subscribe for ordinary shares in respect of share based compensation plans for employees.

Are there any questions regarding this proposal? This is not the case. I hereby put the proposals to a vote.

First, I would like to put the proposal to issue share and/or grant options to acquire shares to a vote.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 14,450,618. Against are 10,026 votes, abstaining are 2 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted.

Secondly, I would like to put the proposal to restrict or exclude the pre-emptive rights to a vote, as shown on the screen.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 10,696,787. Against are 3,790,806 votes, abstaining are 53 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted.

9. Renewal of the authorisation to (i) issue shares and/or grant options to acquire shares and (ii) to restrict or exclude the pre-emptive rights for the purpose of mergers, acquisitions, strategic alliances and financial support arrangements relating to the Company and/or participations (deelnemingen) of the Company

The Chairman: The next item on the agenda is the proposal to renew the authorisation to (i) issue shares and/or grant options to acquire shares and (ii) to restrict or exclude the pre-emptive rights for the purpose of mergers, acquisitions, strategic alliances and financial support arrangements relating to the Company and/or participations of the Company.

An additional matter under this item is the renewal of the authorisation to restrict or exclude the pre-emptive right in relation to such issue. The renewal of the authorisation provides the Management Board with flexibility in the context of mergers, acquisitions, strategic alliances, and financial support arrangements and/or participations.

The full text of the proposal is shown on the screen behind me. Are there any questions regarding this proposal? Since there are no questions I hereby put the proposals to a vote.

First, I would like to put the proposal to issue shares and to grant options to acquire share to a vote as shown on the screen.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 12,302,961. Against are 2,157,480 votes, abstaining are 205 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted.

Secondly, I would like to put the proposal to restrict or exclude the pre-emptive rights to a vote, as shown on the screen.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 8,516,606. Against are 5,918,633 votes, abstaining are 25,407 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted.

10. Renewal of the authorisation to acquire shares

The Chairman: The next item on the agenda is the renewal of the authorisation to acquire shares in the Company's share capital. The full text of the proposal is shown on the screen behind me. The authorisation 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. Are there any questions regarding this proposal? Since there are no questions, I hereby put the proposal to a vote.

I request the voting system to be activated. I declare the resolution opened. Please cast your vote by pressing the button of your choice.

You have 5 seconds remaining to cast your vote.

Ladies and gentleman, the voting period is now closed.

The number of votes for the proposal is 14,328,772. Against are 92,478 votes, abstaining are 39,379 votes.

I can confirm that the majority of the votes have been cast in favour of the proposal and I hereby confirm that the proposal is adopted.

11. Any other business

The Chairman: We have come to the penultimate agenda item where I would like to give the opportunity to the shareholders to ask questions with respect to items that have not previously been discussed.

Are there any questions? This is not the case, and I proceed now with the closing.

12. Closing

Before I close this meeting I would like to thank all employees and staff of the AMG Group on behalf of the Management Board and Supervisory Board for the outstanding performance during 2016. I also wish to thank all of you on behalf of the Management Board and the Supervisory Board. I also wish to thank all of you for your attendance and your contribution to the discussions at this meeting. Thank you very much.