



Agenda and Explanatory Notes of the  
Annual General Meeting of Shareholders  
of AMG Advanced Metallurgical Group N.V.

**Thursday May 4, 2017 at 13.00 CET  
World Trade Centre (WTC), Strawinskylaan 1, 1077XW  
Amsterdam, the Netherlands**

# Agenda of the Annual General Meeting of Shareholders of AMG Advanced Metallurgical Group N.V. (the “Company”)

Thursday May 4<sup>th</sup>, 2017 at 13.00 CET  
World Trade Centre (WTC), Strawinskylaan 1, 1077 XW Amsterdam, the Netherlands

1. **Opening**
- 2.a. **Report of the Management Board for the 2016 financial year including discussion Annual Report 2016 (*discussion item*)**
- 2.b. **Report of the Remuneration Committee of the Supervisory Board for the 2016 financial year (*discussion item*)**
- 2.c. **Discussion of dividend policy (*discussion item*)**
- 3.a. **Adoption of the 2016 financial statements (*voting item*)**
- 3.b. **Proposal to resolve upon (final) dividend distribution (*voting item*)**
4. **Discharge of liability of the members of the Management Board for the 2016 financial year (*voting item*)**
5. **Discharge of liability of the members of the Supervisory Board for the 2016 financial year (*voting item*)**
6. **Composition of the Management Board**  
Reappointment of Mr. Eric E. Jackson as Chief operating officer and member of the Management Board (*voting item*)
7. **Composition of the Supervisory Board**
  - 7.a Reappointment of Mr. J. Messman (*voting item*)
  - 7.b Reappointment of Mr. H. Depp (*voting item*)
  - 7.c Appointment of Mrs. S. Rich Folsom (*voting item*)
  - 7.d Appointment of Mr. W. Van Hassel (*voting item*)
8. **Renewal of the authorization to (i) issue shares and/or grant options and (ii) to restrict or exclude the pre-emptive rights for general corporate purposes (*voting items*)**
9. **Renewal of the authorization to (i) issue shares and/or grant options and (ii) to restrict or exclude pre-emptive rights for the purpose of mergers and acquisitions, strategic alliances and financial support arrangements relating to the Company and/or participations (*deelnemingen*) of the Company (*voting items*)**
10. **Renewal of the authorization to acquire shares (*voting item*)**
11. **Any other business (*discussion item*)**
12. **Closing**

## Explanatory Notes

### to the Agenda for the Annual General Meeting of Shareholders of AMG Advanced Metallurgical Group N.V. (“the Company” or “AMG”) to be held on Thursday 4 May, 2017 at 13.00 hours CET

#### **Agenda item 2.a. Report of the Management Board for the 2016 financial year including discussion Annual Report 2016**

This item will include the speech by the Chief Executive Officer and Chairman of the Management Board, who will look back on the 2016 financial year, and will look ahead, explaining the strategy of the AMG Group going forward.

#### **Agenda item 2.b. Report of the Remuneration Committee of the Supervisory Board for the 2016 financial year**

In this item the Chairman of the Remuneration Committee will discuss the implementation of the Remuneration Policy for the Management Board during the year 2016. Please refer to the Report of the Supervisory Board, including the Remuneration Report 2016 in the Annual Report 2016 for an overview of the remuneration policy and the implementation thereof in the 2016 financial year.

**Agenda item 2.c. Discussion of dividend policy**, For 2016, the Management Board –with the approval of the Supervisory Board- decided to maintain the Company's dividend policy as last amended for the year 2015.

#### **Agenda item 3.a. Proposal to adopt the 2016 financial statements**

Proposal to the General Meeting of Shareholders to adopt the financial statements of AMG for the financial year 2016. The Financial Statements for 2016 including explanatory notes have been published on the company's website as of March 23, 2017. The Financial Statements have been audited by KPMG N.V. and have been approved by the Supervisory Board in its meeting of March 8th, 2017. The Management Board recommends that the 2016 Financial Statements will be adopted by the General Meeting of Shareholders.

#### **Agenda item 3.b. Proposal to resolve upon (final) dividend distribution (*voting item*)**

Proposal to the General Meeting of Shareholders to resolve upon a total dividend distribution over the financial year 2016 of EUR 0.27 per ordinary share. As discussed under agenda item 2.c., the dividend policy reflects the Company's strong balance sheet liquidity as well as the confidence that the Management Board has in the long-term ability of the Company to generate a solid cash flow. With this in mind, the Management Board, with the approval of the Supervisory Board, proposes to declare a dividend of EUR 0.27 per ordinary share over the financial year 2016. On August 16, 2016, the interim distribution of EUR 0.13 per ordinary share was effected; this will be deducted from the total dividend distribution making the final dividend EUR 0.14 per ordinary share. The final dividend of EUR 0.14 per ordinary share will be made payable on or around 16 May 2017, to shareholders of record on 9 May, 2017. The ex-dividend date will be 8 May, 2017. Dutch withholding tax will be deducted from the dividend at a rate of 15%.

#### **Agenda item 4. Discharge of liability of the members of the Management Board for the 2016 financial year**

Proposal to the General Meeting of Shareholders to discharge the members of the Management Board in office during the financial year 2016 from all liability in relation to the exercise of their duties in the financial year 2016, to the extent such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting of Shareholders prior to the approval of the financial statements.

## **Agenda item 5. Discharge of liability of the members of the Supervisory Board for the 2016 financial year**

Proposal to the General Meeting of Shareholders to discharge the members of the Supervisory Board in office during the financial year 2016 from all liability in relation to the exercise of their duties in the financial year 2016, to the extent such exercise is apparent from the financial statements or has been otherwise disclosed to the General Meeting of Shareholders prior to the approval of the financial statements.

## **Agenda item 6. Composition of the Management Board**

In accordance with the Articles of Association of the Company, the Supervisory Board has made a binding nomination regarding a nominee for re-appointment to the Management Board. The term of Mr. Eric Jackson, member of the Management Board and Chief Operating Officer of the Company since 2006, expires in May 2017.

*Mr. Eric E. Jackson*

The Supervisory Board proposes (binding nomination) to re-appoint Mr. E.E. Jackson as member of the Management Board for the maximum term of four (4) years, with effect from May 4, 2017 until immediately after the Annual General Meeting in 2021.

Mr. Jackson was born in 1952 and is a citizen of the United States of America and Canada. He was first appointed President of the Advanced Materials Division and member of the Management Board on April 1, 2007. In November 2002, he was appointed Chief Operating Officer of Metallurg and also served as a director for certain subsidiaries of Metallurg. Mr. Jackson has been Senior Vice-President of Metallurg since 1998 and has previously acted as director at Phibro, a division of Salomon, Inc. and as Vice-President at Louis Dreyfus Corporation. In addition, from 1979 to 1989 Mr. Jackson acted in various roles for Cargill Incorporated in Canada and the United States. Mr. Jackson received a BS degree in economics and an MBA, both from the University of Saskatchewan, Canada.

Mr. Jackson owns 147,638 shares in the Company's share capital as of February 28<sup>th</sup>, 2017.

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 organisation into an effective and cost efficient operation.

## **Agenda Item 7. Composition of the Supervisory Board**

The Supervisory Board has during the past year intensified its efforts to review the composition of the Supervisory Board and to bring more diversity. Under the prevailing rotation schedule Mr. Messman, Mr. Hoyos and Mr. Depp will all reach the end of their term at the Annual Meeting in May 2017.

Mr. Martin Hoyos, who has been a Supervisory Board member since 2009, and chaired the Audit Committee since 2013, has requested to step down at the end of his term in May 2017 in view of other priorities. The Supervisory Board wishes to thank Mr. Hoyos for his dedication and services and his leadership of the Audit Committee during the past four years, and wishes him well in his future endeavours.

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 the Company. The Relationship Agreement comes to an end after the General Meeting of Shareholders on May 4<sup>th</sup>, 2017 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 services and wishes him well in his future endeavours.

During the period that Messrs. Hoyos and Soininen were members of the Supervisory Board, AMG has made important strategic decisions which have been positively reflected in AMG's share price. The Supervisory Board is grateful for the services of Messrs. Hoyos and Soininen as members of the Supervisory Board and wishes to thank them for their valuable insights and contributions.

Mr. Jack Messman, who is a Supervisory Board member since 2007, has accepted to be nominated again as Supervisory Board member but for a period of two years. Mr. Herb Depp, who is Supervisory Board member since 2013, has accepted to be nominated as Supervisory Board member again for a period of four years.

Given the two vacancies, the Supervisory Board is pleased to present and nominate Mrs. Suzanne Rich Folsom and Mr. Willem van Hassel as Supervisory Board members for appointment by this General Meeting of Shareholders. Each of these two new candidates bring highly relevant experience in terms of industry (Mrs. Folsom is currently employed in the United States steel industry) and corporate governance ( Mr. van Hassel is a highly respected senior Dutch lawyer and a corporate governance expert). The full curriculum vitae of the nominees is available for inspection at the offices of the Company and is published at the Company's website.

Upon (re-) appointment of all nominees mentioned above, the Supervisory Board continues to be comprised of nine (9) members.

The Supervisory Board has resolved that it shall reposition the Committees of the Supervisory Board if the General Meeting of Shareholders resolves to appoint the nominees referenced above. It has also been resolved by the Supervisory Board that upon appointment of the four nominees, it will merge the Audit Committee and Risk Management Committee to create more efficiency and combined expertise into one new Committee, called the Audit & Risk Management Committee.

In that case the three Committees of the Supervisory Board would be constituted as follows as of May 4, 2017:

#### *Selection and Appointment Committee*

Mr. Norbert Quinkert: Chair  
Mrs. Donatella Ceccarelli  
Mr. Willem van Hassel

#### *Remuneration Committee*

Mr. Jack Messman: Chair  
Mr. Herb Depp  
Mrs. Suzanne Rich Folsom

#### *Audit & Risk Management Committee*

Professor Dr. Steve Hanke: Chair  
Mr. Guy de Selliers  
Mr. Robert Meuter

The following persons are proposed for re-appointment:

#### **a. Mr. Jack Messman**

The Supervisory Board proposes (non-binding nomination) to re-appoint Mr. Jack Messman as independent member of the Supervisory Board with effect from May 4, 2017 until immediately after the Annual General Meeting in 2019.

Mr. Messman was born in 1940 and is a United States citizen. He has been a member of the Supervisory Board since 2007. He is the former Chief Executive Officer of Novell, Inc. and Union Pacific Resources Corporation. His current positions include Lavoro Technologies Inc. where he is Non-Executive Chairman. The full resume of Mr. Messman is available at the offices and at the website of the Company.

Mr. Messman currently owns 25,792 ordinary shares (of which 14,898 shares are restricted) in the Company's share capital all of which were awarded as share based remuneration in the years 2016 and before.

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 (non-binding nomination) to appoint Mr. Herb Depp as independent member of the Supervisory Board with effect from May 4, 2017 until immediately after the Annual General Meeting in 2021.

Mr. Depp was born in 1944 and is a United States citizen. Mr Depp served from 1994 until 2011 in various positions at General Electric Aviation group, lastly as VP Commercial Aircraft Programs at GE Aviation. Before joining GE in 1994, Mr. Depp was President of Polaris Aircraft Leasing, where he had served in key marketing and executive positions within the company since 1980.. Mr. Depp earned a Bachelor of Arts degree in geology from California State University at Fresno in 1966 and a master's degree in personnel management from Central Michigan University in 1975. A full resume of Mr. Depp is available at the offices and website of the Company.

Mr. Depp currently owns 14,512 ordinary shares (of which 13,728 are restricted shares) in the Company's share capital, which were all awarded as share based remuneration in the years 2016 and before, and 5,000 ordinary shares in the Company's share capital as of 28 February, 2017.

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, one of the major end markets AMG is serving.

The following persons are proposed for appointment:

***c. Mrs. Suzanne Rich Folsom***

The Supervisory Board proposes (non-binding nomination) to appoint Ms Suzanne Rich Folsom as independent member of the Supervisory Board with effect from May 4, 2017 until immediately after the Annual General Meeting in 2021

Mrs. Folsom was born in 1961 and is a United States citizen. Mrs. Folsom currently serves as the General Counsel, Chief Compliance Officer and SVP Government Affairs, and is a member of the Executive Team, at the United States Steel Corporation (Pittsburgh, USA). Her broad responsibilities include legal, regulatory and compliance, the corporate secretary function, environmental affairs, labor relations, security, aircraft, global public policy, and joint ventures worldwide. Simultaneously, she bears responsibility for the operational performance of the company's real estate division. Before US Steel, Ms. Folsom served as General Counsel and Chief Compliance Officer at Academi LLC, a private paramilitary security firm, and as Chief Regulatory Affairs and Compliance Officer at American International Group, Inc (AIG). In the past Mrs. Folsom furthermore served as Private Secretary to Her Majesty Queen Noor of Jordan; First Family Liaison to the Presidential Inaugural Committee; Special Assistant to Barbara Bush; Advisor to the U.S. Delegation to the U.N. World Women's Conference in Kenya; Advisor to the Chair of the U.N. Commission on the Status of Women; and practiced law with two global law firms. In addition Ms. Folsom serves and has served on a number of non-profit boards, Mrs. Folsom has a B.A. in Political Science from Duke University and a JD (Cum Laude) from Georgetown University Law Center.

Ms. Folsom owns no shares in the Company.

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.

**d. Mr. Willem van Hassel**

The Supervisory Board proposes (non-binding nomination) to appoint Mr. Willem van Hassel as independent member of the Supervisory Board with effect from May 4, 2017 until immediately after the Annual General Meeting in 2021.

Mr. van Hassel was born in 1946 and is a Dutch citizen and obtained his Law Degree at Erasmus University Rotterdam in 1964. Until 2000, for nearly 30 years, Mr. van Hassel has practised in various legal areas, amongst which company law in general, mergers and acquisitions, shareholders and board room disputes, reorganisations and (receiverships in) bankruptcy cases, structuring of public-private partnerships and privatisations. During his legal career he has always combined his counselling activities with litigation, both in court cases and arbitration. He has acted as counsel to Dutch Parliament as well as the Dutch Accounting Office. In the early 1990's, he was president of the Netherlands Bar Association. During the last four years of his legal career he was chairman and managing partner of Trenité Van Doorne, at the time one of the Dutch leading law firms. Until 2000 he was also a Deputy Judge with the Rotterdam District Court. Furthermore Mr. van Hassel gets appointments by the Enterprise Chamber of the Court of Appeals in Amsterdam as an independent investigator/ temporary board member in mismanagement suits and shareholders deadlocks. In various capacities he is actively involved with the developments in the field of good governance. He is also editor of the Toolkit *Commissariaat* (a practical guide for supervisory directors) and serves and has served on various supervisory boards, incl. Eurocommercial Properties NV until recently. Mr. van Hassel furthermore served on the Board of the Foundation Continuity AMG until March 12<sup>th</sup>, 2017 when he resigned to prepare for his nomination for AMG's Supervisory Board.

Mr. van Hassel owns no shares in the Company.

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.

**Agenda item 8. Renewal of the authorization 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**

- a. Proposal to authorize the Management Board for a period of 18 months as of May 4, 2017, *i.e.*, up to and including November 3, 2018, subject to the approval of the Supervisory Board, to issue shares in the Company's share capital and/or grant rights to subscribe for shares in the Company's share capital up to a maximum of 10% of the Company's issued share capital as per December 31, 2016.
- b. Proposal to authorize the Management Board for a period of 18 months as of May 4, 2017, *i.e.*, up to and including November 3, 2018, subject to the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights accruing to shareholders upon an issuance as referred to under item 8.a.

On May 4<sup>th</sup>, 2016, the General Meeting of Shareholders designated the Management Board as the corporate body which, subject to the approval of the Supervisory Board, is authorized to issue shares and grant rights to subscribe for shares, with the right to restrict or exclude pre-emptive rights. The authorization referred to in the previous sentence was restricted to 10% of the Company's issued share capital as per December 31, 2015 and will expire on November 3<sup>rd</sup>, 2017. Under this agenda item 8, it is proposed to renew this authorization for a period of 18 months with effect from May 4, 2017, including the right for the Management Board to restrict and/or exclude pre-emptive rights.

The Management Board emphasizes that the authorization to issue shares and/or grant rights to subscribe for shares, combined with the authorization to restrict and/or exclude the pre-emptive rights, provides the Management Board with the flexibility necessary to manage net equity or to enter into financial support arrangements or involving the Company and/or to respond to any demand for shares in the Company's share capital in the context of general corporate purposes that may arise at any time. This authorization as such is therefore of high importance to be able to effect the strategy of AMG.

**Agenda item 9. Renewal of the authorization 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)**

- a. Proposal to authorize the Management Board for a period of 18 months as of May 4, 2017, *i.e.*, up to and including November 3, 2018, subject to the approval of the Supervisory Board, to issue ordinary shares in the Company's share capital and/or grant rights to subscribe for ordinary shares in the Company's share capital up to a maximum of 10% of the Company's issued share capital as per December 31, 2016,
- b. Proposal to authorize the Management Board for a period of 18 months as of May 4, 2017, *i.e.*, up to and including November 3, 2018, subject to the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights accruing to shareholders upon an issuance as referred to under item 9.a.

On May 4, 2016, the General Meeting of Shareholders designated the Management Board as the corporate body which, subject to the approval of the Supervisory Board, is authorized to issue shares and grant rights to subscribe for shares in connection with or on the occasion of mergers, acquisitions, strategic alliances and financial support arrangements, with the right to restrict or exclude pre-emptive rights. The authorization referred to in the previous sentence was restricted to 10% of the Company's issued share capital as per December 31, 2015, in addition to the authorization to issue 10% of the Company's issued share capital as per December 31, 2016 for general corporate purposes (including share based compensation plans for employees) as referred to in agenda item 8. This authorization will expire on November 3rd, 2017. Under this agenda item 9, it is proposed to renew this authorization for a period of 18 months with effect from May 4, 2017.

The Management Board emphasizes that the authorization to issue shares and/or grant rights to subscribe for shares, combined with the authorization to restrict and/or exclude the pre-emptive rights, provides the Management Board with the flexibility in financing mergers, acquisitions and financial support arrangements and the necessary tools to respond decisively to emerging business opportunities and is as such of high importance to the ability to effect the strategy of AMG further.

**Agenda item 10. Renewal of the authorization to acquire shares**

Proposal to authorize the Management Board for a period of 18 months as of May 4, 2017, *i.e.*, up to and including November 3, 2018, to acquire, subject to the approval of the Supervisory Board, shares in the Company's share capital up to 10% of the Company's issued share capital at the date of acquisition, at the stock exchange or otherwise, at a price between par value and 110 percent of the average closing price of the Company's shares at Euronext Amsterdam N.V. on the five consecutive trading days immediately preceding the day of purchase by or for the account of the Company.

On May 4th, 2016, the General Meeting of Shareholders resolved to authorize the Management Board, subject to the approval of the Supervisory Board, to acquire up to a maximum of 10% of the Company's issued share capital at the date of acquisition at the stock exchange or otherwise, at a price between par value and 110 percent of the average closing price of the Company's shares at Euronext Amsterdam N.V. on the five consecutive trading days immediately preceding the day of purchase by or for the account of the Company. This authorization will expire on November 3rd, 2017. Under this agenda item 10 it is proposed to renew this authorization for a period of 18 months with effect from May 4, 2017.



The 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 authorization may, for example, be used if shares need to be acquired to hedge the Company's share and option schemes.