



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

**Wednesday 6 May 2020 at 15:00 CET  
World Trade Centre (WTC), Strawinskylaan 1, 1077 XW  
Amsterdam, the Netherlands**

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

**Wednesday 6 May 2020 at 15.00 CET  
World Trade Centre (WTC), Strawinskylaan 1, 1077 XW Amsterdam, the Netherlands**

- 1. Opening**
- 2.a. Report of the Management Board for the 2019 financial year including discussion Annual Report 2019 (*discussion item*)**
- 2.b. Remuneration Report of the Supervisory Board for the 2019 financial year (*voting item*)**
- 2.c. Discussion of dividend policy (*discussion item*)**
- 3.a. Adoption of the 2019 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 2019 financial year (*voting item*)**
- 5. Discharge of liability of the members of the Supervisory Board for the 2019 financial year (*voting item*)**
- 6. Re-appointment of Jackson Dunckel as member of the Management Board (*voting item*)**
- 7. Adoption of the Remuneration Policy for the Management Board (*voting item*)**
- 8. Adoption of the Remuneration Policy for the Supervisory Board (*voting item*)**
- 9. Re-appointment of KPMG Accountants N.V. as external auditor of the Company for the years 2020 and 2021 (*voting item*)**
- 10. 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, and/or for the purpose of mergers and acquisitions, and/or for strategic alliances and/or or financial support arrangements (*voting items*)**
- 11. Renewal of the authorization to acquire shares (*voting item*)**
- 12. Cancellation of ordinary shares (*voting item*)**
- 13. Any other business (*discussion item*)**
- 14. 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 Wednesday 6 May 2020 at 15:00 CET in Amsterdam, the Netherlands**

### **Agenda item 2.a. Report of the Management Board for the 2019 financial year including discussion Annual Report 2019 (discussion item)**

This item will include the speech by the Chief Executive Officer and Chairman of the Management Board, who will look back on the 2019 financial year, and will look ahead, explaining the strategy of the AMG Group going forward.

### **Agenda item 2.b. Remuneration Report of the Supervisory Board for the 2019 financial year (voting item)**

In this item the Chairman of the Remuneration Committee will discuss the Remuneration Report of the Supervisory Board that reports on the implementation of the Remuneration Policy for the Management Board and the remuneration practice for the Supervisory Board during the financial year 2019. Those remuneration policies were adopted in and effective since 2013. This Remuneration Report reflects the provisions of the revised EU Shareholder Rights Directive that became effective in the Netherlands in 2019 (“SRD”). The Remuneration Report is in accordance with the provisions of the SRD as embodied in Dutch law to the extent applicable and appropriate.

Please refer to the Report of the Supervisory Board, including the Remuneration Report 2019, in the Annual Report 2019, for an overview of the remuneration paid to the Management Board and the Supervisory Board for the financial year 2019. The Remuneration Report for the 2019 financial year is further attached hereto as Annex A.

In accordance with article 2:135b subsection 2 of the Dutch Civil Code, the Remuneration Report for the 2019 financial year will be submitted to the General Meeting for its advisory vote. It is proposed to cast a favourable advisory vote.

### **Agenda item 2.c. Discussion of dividend policy (discussion item)**

In 2018, the Management Board – with the approval of the Supervisory Board – had decided to amend the Company's dividend policy as initially revised in 2015 and continued in 2016 and 2017. The Management Board proposes with the approval of the Supervisory Board to continue the current policy effective since 2018, that targets an annual dividend pay-out of between 20-40% of net income attributable to shareholders, and to add an addendum to the policy, that year-on-year changes shall be limited to 20% or less, all subject to prevailing statutory requirements.

### **Agenda item 3.a. Adoption of the 2019 financial statements (voting item)**

Proposal to the General Meeting of Shareholders to adopt the Financial Statements of AMG for the financial year 2019. The Financial Statements for 2019 including explanatory notes were published on the Company's website on 11 March 2020. The Financial Statements have been audited by KPMG Accountants N.V. and were approved by the Supervisory Board in its meeting of February 26, 2020. The Management Board recommends that the Financial Statements for 2019 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 2019 of EUR 0.40 per ordinary share. As discussed under agenda item 2.c., the (amended) dividend policy reflects the Company's strong 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 0,40 per ordinary share over the financial year 2019. On August 15, 2019, the interim distribution of EUR 0.20 per ordinary share was effected; this will be deducted from the total dividend distribution making the final dividend EUR 0,20 per ordinary share. The final dividend of EUR 0,20 per ordinary share will be made payable on or around May 13, 2020, to shareholders of record on May 11th, 2020. The ex-dividend date will be May 8, 2020. 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 2019 financial year (voting item)**

Proposal to the General Meeting of Shareholders to discharge the members of the Management Board in office during the financial year 2019 from all liability in relation to the exercise of their duties in the financial year 2019, 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 2019 financial year (voting item)**

Proposal to the General Meeting of Shareholders to discharge the members of the Supervisory Board in office during the financial year 2019 from all liability in relation to the exercise of their duties in the financial year 2019, 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. Re-appointment Mr. Jackson Dunckel as member of the Management Board (voting item)**

The term of Mr. Jackson Dunckel, member of the Management Board and Chief Financial Officer ends on 6 May 2020. Mr. Dunckel was appointed for the first time in 2016.

The Supervisory Board proposes by way of binding nomination pursuant to clause 14.4 of the Company's articles of association, to re-appoint Mr Jackson Dunckel as member of the Management Board with effect from May 6th, 2020 until immediately after the Annual General Meeting in 2024 (i.e. in accordance with the regular four-year term for which members of the Management Board are appointed under the Company's constitutional documents). An excerpt of the terms and conditions of his employment contract with Metallurg Inc., a subsidiary of AMG, can be found at AMG's corporate website ([www.amg-nv.com](http://www.amg-nv.com)).

Mr. Dunckel joined AMG in January 2016 from Macquarie Capital (USA) Inc. where he was Managing Director and Global Head of Chemicals, where he focused since 2010 on (cross border) M&A and financing advice to the global chemical industry. Before that he served from 1995 to 2010 in various positions at JP Morgan Chase (New York, NY), lastly as Executive Director, Investment Banking Coverage, senior member of the chemicals team and responsible for deal origination and execution. Mr. Dunckel has a BA degree in European History (cum laude) from the University of California, Berkeley, CA and holds an MBA International Finance (Stern Scholar, Beta Gamma Sigma) from New York University, Leonard Stern School of Business, New York, NY. A full resume of Mr. Dunckel is available at the offices of the Company.

Mr. Dunckel does own as of 28 February 2020 41,162 shares in the Company's share capital and 67,684 stock options.

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

### **Agenda item 7. Adoption of the Remuneration Policy for the Management Board (voting item)**

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

The new legislation implementing the revised EU Shareholder Rights Directive ("SRD") also contains new rules on remuneration policies. Since the implementation in the Netherlands of the EU Shareholder Rights Directive in 2019, the Remuneration Committee of the Supervisory Board has stepped up its regular review of the Remuneration Policy for the Management Board, and did so most recently with the assistance of WillisTowersWatson executive compensation consultants. This most recent review focused specifically whether the existing Remuneration Policy supported the overall executive compensation philosophy of the Company and whether corporate governance developments in general and in the Netherlands specifically, including the recent adoption of the SRD, would merit an adjustment of the Remuneration Policy.

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

The Supervisory Board who is responsible for the formulation of the amended Remuneration Policy, recommends to the General Meeting of Shareholders, to vote in favor of adopting this (amended) Remuneration Policy for the Management Board as solid framework for the Company's remuneration practice for the Management Board going forward.

In accordance with article 2:135a subsection 2 of the Dutch Civil Code, the proposal can only be adopted with a majority of at least three-fourths (75%) of the votes cast.

Both the proposed (amended) Remuneration Policy for the Management Board (2020) and the Remuneration Policy for the Management Board in place since 2013 are attached as Annex B and C respectively for comparison and review.

### **Agenda item 8. Adoption of the Remuneration Policy for the Supervisory Board (voting item)**

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

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

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

In accordance with article 2:145 subsection 2 and article 2:135a subsection 2 of the Dutch Civil Code, the proposal can only be adopted with a majority of at least three-fourths (75%) of the votes cast.

**Agenda item 9. Re-appointment of KPMG Accountants N.V. as external auditor of the Company for the years 2020 and 2021 (voting item)**

Proposal to re-appoint KPMG Accountants N.V. as external auditor of the Company for the 2020 and 2021 financial year. KPMG was first appointed as external auditor in 2016 for the financial years 2016 and 2017. The Supervisory Board, upon the recommendation of the Audit & Risk Management Committee and Management Board, has extensively reviewed KPMG's performance and as result has resolved to propose to re-appoint KPMG as external auditor of the Company. The Audit & Risk Management Committee has confirmed in its recommendation that KPMG's skills, expertise and level of communication with the Management Board and Supervisory Board in executing its external auditing duties, all have received high marks and is has further stated that its recommendation is free from influence by a third party and that no clause of a contract as referred to in article 16(6) of the EU regulation no. 537/2014 restricts the resolution of the General Meeting.

**Agenda item 10. 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 and/or for the purpose of mergers and acquisitions, and/or for strategic alliances and/or or financial support arrangements (voting items)**

- a. Proposal to authorize the Management Board for a period of 18 months as of May 6, 2020, *i.e.*, up to and including November 5, 2021, 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, 2019.
- b. Proposal to authorize the Management Board for a period of 18 months as of May 6, 2020, *i.e.*, up to and including November 5, 2021, 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 agenda item 10.a.

On May 1, 2019, 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 20% of the Company's issued share capital as per December 31, 2018 and will expire on November 2, 2020. Under this agenda item 10, it is proposed to renew this authorization for a period of 18 months, however for a maximum of 10% of the outstanding share capital as per December 31, 2019, with effect from May 6, 2020, 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 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. In addition, this authorization provides the Management Board with the flexibility in financing mergers, acquisitions, strategic alliances and/or 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 implement the strategy of AMG further.

**Introduction to agenda items 11 and 12:**

An authorization to acquire shares in the Company's share capital 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. The Company also aims to have flexibility in the execution of a return of capital to its shareholders. To enable such flexibility, the Company requests the General Meeting of Shareholders to mandate the renew the authorization to acquire shares as well as to authorize the cancellation of shares in the Company's share capital to reduce the number of outstanding shares in the Company's share capital , if the Company decides to do so.

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

Proposal to authorize the Management Board for a period of 18 months as of May 6, 2020, *i.e.*, up to and including November 5, 2021, 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 1, 2019, 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 1, 2020. Under this agenda item 11 it is proposed to renew this authorization for a period of 18 months with effect from May 6, 2020.

### **Agenda item 12. Cancellation of ordinary shares (voting item)**

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

The Supervisory Board proposes pursuant to clause 9.1 of the Company's articles of association to the General Meeting of Shareholders to reduce the issued share capital of the Company by cancelling ordinary shares in the share capital of the Company held or (to be) repurchased by the Company. This cancellation may be executed in one or more tranches. The purpose of the cancellation is to reduce the number of outstanding shares in the Company's share capital. The number of ordinary shares that will be cancelled (whether or not in a tranche) will be determined by the Management Board. Pursuant to the relevant statutory provisions, cancellation may not be effected until two months after the resolution to cancel has been adopted and publicly announced (this will apply to each tranche).

Pursuant to clause 9.4 of the Company's articles of association and the relevant statutory provisions, if less than fifty percent (50%) of the issued capital is represented at the General Meeting of Shareholders, this proposal can only be adopted with a majority of at least two-thirds of the votes cast. If fifty percent (50%) or more of the issued capital is represented, a simple majority is sufficient to adopt this proposal.

Annex A: Remuneration Report of the Supervisory Board for the year 2019  
Annex B: (Amended) Remuneration Policy for the Management Board (2020)  
Annex C: Remuneration Policy for the Management Board 2013  
Annex D: Remuneration Policy for the Supervisory Board (2020)

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