



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

**Wednesday 1 May 2019 at 13:00 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 1 May 2019 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 2018 financial year including discussion Annual Report 2018 (*discussion item*)**
- 2.b. Report of the Remuneration Committee of the Supervisory Board for the 2018 financial year (*discussion item*)**
- 2.c. Discussion of dividend policy (*discussion item*)**
- 3.a. Adoption of the 2018 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 2018 financial year (*voting item*)**
- 5. Discharge of liability of the members of the Supervisory Board for the 2018 financial year (*voting item*)**
- 6. Composition of the Supervisory Board**
  - 6.a. Reappointment of Professor Steve Hanke as member of the Supervisory Board (*voting item*)**
  - 6.b. Appointment of Ms. Dagmar Bottenbruch as member of the Supervisory Board (*voting item*)**
- 7. 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*)**
- 8. Renewal of the authorization to acquire shares (*voting item*)**
- 9. Any other business (*discussion item*)**
- 10. 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 1 May 2019 at 13:00 CET**

### **Agenda item 2.a. Report of the Management Board for the 2018 financial year including discussion Annual Report 2018**

This item will include the speech by the Chief Executive Officer and Chairman of the Management Board, who will look back on the 2018 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 2018 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 financial year 2018. Please refer to the Report of the Supervisory Board, including the Remuneration Report 2018 in the Annual Report 2018 for an overview of the remuneration policy and the implementation thereof in the financial year 2018.

### **Agenda item 2.c. Discussion of dividend policy**

In 2018, the Management Board – with the approval of the Supervisory Board – has decided to amend the Company's dividend policy as initially revised in 2015 and continued in 2016 and 2017. The new policy targets an annual dividend pay-out of between 20-40% of net income attributable to shareholders.

### **Agenda item 3.a. Adoption of the 2018 financial statements**

Proposal to the General Meeting of Shareholders to adopt the Financial Statements of AMG for the financial year 2018. The Financial Statements for 2018 including explanatory notes were published on the Company's website on March 13, 2019. The Financial Statements have been audited by KPMG Accountants N.V. and were approved by the Supervisory Board in its meeting of February 27, 2019. The Management Board recommends that the Financial Statements for 2018 will be adopted by the General Meeting of Shareholders.

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

Proposal to the General Meeting of Shareholders to resolve upon a total dividend distribution over the financial year 2018 of EUR 0.50 per ordinary share. As discussed under agenda item 2.c., the (amended) 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 0.50 per ordinary share over the financial year 2018. On August 14, 2018, 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 0.30 per ordinary share. The final dividend of EUR 0.30 per ordinary share will be made payable on or around May 14, 2019, to shareholders of record on May 6, 2019. The ex-dividend date will be May 3, 2019. 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 2018 financial year**

Proposal to the General Meeting of Shareholders to discharge the members of the Management Board in office during the financial year 2018 from all liability in relation to the exercise of their duties in the financial year 2018, 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 2018 financial year**

Proposal to the General Meeting of Shareholders to discharge the members of the Supervisory Board in office during the financial year 2018 from all liability in relation to the exercise of their duties in the financial year 2018, 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 Supervisory Board**

At the Annual General Meeting on May 1, 2019, Mr. Jack Messman will have served twelve years on the Supervisory Board of AMG when his current term ends. Mr. Messman has indicated that he wishes to retire from the Supervisory Board in May 2019, given other priorities and the term limits for Supervisory Directors under the Dutch Corporate Governance Code. The Supervisory Board is deeply grateful for the long service and dedication to AMG by Mr. Messman.

Before becoming Chairman in 2018, Mr. Messman was Vice Chairman since 2007 and a long-serving member and Chair of AMG's Remuneration Committee and before that of the Audit & Risk Management Committee, and has been a major contributor to the excellent quality of AMG's current leadership team by implementing and overseeing AMG's competitive executive compensation system.

Professor Steve Hanke will have served six (6) years on the Supervisory Board in May 2019 when his current term ends. AMG is very pleased to announce that Professor Hanke, currently Chair of the Audit & Risk Management Committee, will make himself available for re-appointment for a term of four (4) years. The Supervisory Board will nominate Professor Hanke for reappointment by the General Meeting Shareholders on May 1 of this year as independent member of the Supervisory Board for a term of four (4) years.

Given the retirement of Mr. Messman as member and Chairman of the Supervisory Board after the Annual General Meeting in May 2019, AMG is pleased to announce that the Supervisory Board plans to appoint Professor Steve Hanke, as Chairman of the Supervisory Board as of May 1, 2019 after the Annual General Meeting.

Given the vacancy created by the retirement of Mr. Messman, the Supervisory Board is pleased to announce that it will nominate Ms. Dagmar Bottenbruch as independent Supervisory Board member for appointment by the General Meeting of Shareholders on May 1, 2019 for a term of four (4) years. Ms. Bottenbruch has the German and US nationality and brings highly relevant experience in the field of financial services, and of public and private equity/venture capital investments.

The Supervisory Board is furthermore pleased to announce that it has resolved to change the composition of its Committees after the Annual General Meeting on May 1, 2019, as follows:

##### Audit & Risk Management Committee

Ms. Donatella Ceccarelli (Chair)

Mr. Willem van Hassel

Mr. Frank Löhner

#### Remuneration Committee

Mr. Herb Depp (Chair)  
Ms. Dagmar Bottenbruch

#### Selection & Appointment Committee

Prof. Steve Hanke (Chair)  
Ms. Donatella Ceccarelli

#### **Agenda Item 6.a**

##### *Re-appointment Professor Dr. Steve Hanke*

Professor Hanke was born in 1942 and has the United States nationality. He is a Professor of Applied Economics and Co-Director of the Institute for Applied Economics, Global Health and the Study of Business Enterprise at the Johns Hopkins University in Baltimore. Professor Hanke is also a Senior Fellow at the Cato Institute in Washington, D.C., and Chairman Emeritus of the Friedberg Mercantile Group, Inc, in Toronto, Canada. His former positions include Professor at the Colorado School of Mines, Professor at the University of California at Berkeley, and senior economist, President's Council of Economic Advisers (Ronald Reagan).

Professor Hanke currently owns 19,771 shares in the Company's share capital.

The Supervisory Board is pleased to propose by way of non-binding nomination to re-appoint Professor Steve Hanke as independent member of the Supervisory Board, for a term of four (4) years, with effect from May 1, 2019 until immediately after the Annual General Meeting in 2023, in view of his extensive academic background in the fields of international economics and finance, his experience in the commodity and currency markets and his in-depth knowledge of Asian, Middle Eastern and Latin American markets, and the way he performs his duties as Supervisory Board member.

The Supervisory Board realizes that by making this proposal, Professor Hanke will, after the proposed reappointment, have completed ten (10) years on the Supervisory Board once his new term ends in 2023 and that this term will be beyond the initial eight (8) years indicated under the Dutch Corporate Governance Code.

Before everything, the Supervisory Board believes that the quality, seniority and credentials of Professor Hanke are beyond any doubt, given his eminent academic standing and his leadership skills as shown in his role as Chair of the Audit & Risk Management Committee. In 2021, in two years, the present term of Dr. Heinz Schimmelbusch, CEO and Chairman of the Management Board will end. Also in 2021, the present term of Mr. Eric Jackson, COO and member of the Management Board will end. Further, in 2021, the present term of two (other) members of the Supervisory Board will end. In light of that and to safeguard the continuity in the Supervisory Board, the Supervisory Board has concluded that it is essential to secure the leadership of the (new) Chairman for a period of four years and to enable him to lead the process for securing the proper composition of the Management Board which is critical for implementing the Company's long-term strategy.

#### **Agenda Item 6.b**

##### *Appointment Ms. Dagmar Bottenbruch*

Ms. Bottenbruch was born in 1960 and has German and United States nationality. She currently is engaged as angel investor in a variety of start-up tech companies and as consultant to start-up, growth and mid-cap companies. She was Managing Director of Rabobank International in Germany and has worked at Credit Suisse in London and Frankfurt as Director Investment Banking. She currently serves on the Supervisory Board of the CFA Society Germany and of Vaamo Finanz AG, Frankfurt. Ms. Bottenbruch has an MBA (with High Distinction) from Harvard Business School and a BA (magna cum laude) in Biological Psychology from the University of California at Berkeley. She is a Chartered Financial Analyst (CFA) since 1989. The full curriculum vitae of Ms. Bottenbruch is available for inspection at the offices of the Company and will be published on the Company's website.

Ms. Bottenbruch currently owns no shares in the Company's share capital.

The Supervisory Board is pleased to propose by way of non-binding nomination to appoint Ms. Dagmar Bottenbruch as independent member of the Supervisory Board, for a term of four (4) years, with effect from May 1, 2019 until immediately after the Annual General Meeting in 2023, in view of her highly relevant experience in the field of financial services, of public and private equity/venture capital investments, and of investments in technology companies.

**Agenda item 7. 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**

- a. Proposal to authorize the Management Board for a period of 18 months as of May 1, 2019, *i.e.*, up to and including October 31, 2020, 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, 2018.
- b. Proposal to authorize the Management Board for a period of 18 months as of May 1, 2019, *i.e.*, up to and including October 31, 2020, 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 7.a.

On May 2, 2018, 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, 2017 and will expire on November 2, 2019. Under this agenda item 7, 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, 2018, with effect from May 1, 2019, 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 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 implement the strategy of AMG further.

**Agenda item 8. Renewal of the authorization to acquire shares**

Proposal to authorize the Management Board for a period of 18 months as of May 1, 2019, *i.e.*, up to and including October 31, 2020, 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 2, 2018, 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, 2019. Under this agenda item 9 it is proposed to renew this authorization for a period of 18 months with effect from May 1, 2019.

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.

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