



RHI MAGNESITA

DRAFT MINUTES OF THE ANNUAL GENERAL MEETING OF

RHI MAGNESITA N.V.

HELD ON 18 JUNE 2020

Minutes of the annual general meeting of RHI Magnesita N.V. (the “Company”), held as a virtual meeting on 18 June 2020 at 14.00 CET (the “AGM”).

OPENING

Dr. Herbert Cordt welcomed all (virtually) present at the AGM. He introduced himself as the chairman (the “**Chairman**”) of the board of the Company (the “**Board**”) and opened the AGM.

Before proceeding to the formal business of the AGM, the Chairman introduced the directors of the Company (the “**Directors**”) present:

- Mr. Stefan Borgas, CEO and Executive Director;
- Mr. Ian Botha, CFO and Executive Director;
- Mr. James Leng, Non-Executive Director, Deputy Chairman and Senior Independent Director;
- Mr. John Ramsay, Non-Executive Director and Chair of The Audit and Compliance Committee;
- Ms. Celia Baxter, Non-Executive Director and Chair of the Remuneration Committee;
- Ms. Janet Ashdown, Non-Executive Director and Chair of the Corporate Sustainability Committee;
- Mr. Wolfgang Rutenstorfer, Non-Executive Director;
- Mr. David Schlaff, Non-Executive Director;
- Mr. Karl Sevelde, Non-Executive Director;
- Mr. Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, Non-Executive Director;
- Dr. Andrew Hosty, Non-Executive Director;
- Ms. Fiona Paulus, Non-Executive Director;
- Mr. Franz Reiter, Non-Executive Director and Employee Representative Director; and
- Mr. Michael Schwartz, Non-Executive Director and Employee Representative Director.

The Chairman then introduced the advisors present:

- Ms. Esther van der Vleuten, partner of PricewaterhouseCoopers Accountants N.V., the Company’s external auditor for the financial years 2018 through 2020.
- Mr. Guido Portier of Linklaters LLP, a civil law notary in Amsterdam, the Netherlands, who has received powers of attorney from certain shareholders.

Finally, the Chairman introduced Ms. Sally Caswell, the Company Secretary, and requested her to act as secretary of the AGM (the “**Secretary**”) and to keep minutes of the proceedings at the AGM.

Notice of the AGM

Ms. Caswell confirmed that the notice convening the AGM was made available to all shareholders and depositary interest holders on 6 May 2020 on the Company’s website, as well as at the Company’s head office in Vienna, together with all related meeting documents mentioned in the AGM notice.

She also confirmed that as the AGM notice was given in accordance with the Company’s articles of association and applicable law, valid resolutions could be adopted on the subjects set out in the agenda and the explanatory notes thereto.

Ms. Caswell explained that the voting would happen electronically and gave a brief explanation on how to cast a vote and how the closure of voting would be notified in advance.

Procedure

The Chairman noted that firstly the agenda items 1 and 2 would be addressed as discussion items, and then the voting items on the agenda would be proposed, and any questions in respect of all agenda items would be addressed. The Chairman confirmed the meeting procedure and briefly summarised the applicable rules of conduct and some housekeeping rules.

Shares present and votes

The Chairman confirmed that a total of 49,477,705 shares in the capital of the Company were outstanding on the record date of the AGM, being 21 May 2020, including 400,000 ordinary shares held by the Company in its own capital. Each ordinary share (other than the ordinary shares held by the Company) carried one vote. Therefore, the total number of votes exercisable was 49,077,705 votes and that shareholders representing 37,784,288 shares were present as attendees to the virtual meeting or by proxy, representing 76.37% of the issued capital of the Company on the record date for the AGM. The Chairman also confirmed that a total of 37,784,288 votes may be cast at the AGM.

The Chairman stated that for each of the resolutions to be passed at the AGM, more than half of the votes cast must be in favour of the resolution. He announced that the voting was now open for shareholders.

AGENDA ITEMS

Agenda item 1

The Chairman noted that the first item on the agenda was the consideration of the Annual Report of the Directors and the auditor's statement for the financial year 2019. He noted that this agenda item was for discussion and was not an item to be voted on.

The Chairman invited Mr. Stefan Borgas to give a presentation in respect of this item.

Mr. Borgas thanked the Chairman and presented the results for 2019 to the shareholders. He noted that the 2019 results were satisfactory and roughly in line with the 2018 results. The safety record of the Company continued to further improve in 2019 with further progress also in 2020, noting that the COVID-19 disruption across the plants had not been to the detriment of safety.

Mr. Borgas noted that refractory margins had improved and whilst the prices of raw materials fell significantly, the refractory margins had more than compensated for this. He also confirmed that the Company had in 2019 completed the integration of former legacy companies RHI and Magnesita.

Mr. Borgas noted that his report related to 2019, however gave a brief update on the current position in relation to COVID-19, advising that the Company continued to put health and safety of employees, business partners and customers as the absolute priority in the global health pandemic. He noted a task force had been implemented to manage the response and that there had been no fatal incidents

or severe illness from this pandemic.

He noted that the demand outlook however, remained extremely uncertain and volatile and the business was restricted in outlook and would continue to be managed on a month by month basis. The focus had been liquidity and he reported that the management had been able to secure more than 1.1 billion Euros of cash and committed undrawn facilities as liquidity reserves for the Company and hence the Company was on a very good and stable track. Capital expenditure plans had been adapted however the production optimization of the whole network remained on track. He advised that there was a strong balance sheet with a net debt EBITDA of 1.2 at the end of 2019. This ratio had increased slightly during 2020 as a result of EBITDA reduction from the COVID-19 impact, but there would be no material debt repayment until 2023. Cash management would remain a focus and as such the Board had decided not to propose a final dividend for 2019. He noted that the approach to dividends remained under review and any updates would be communicated to shareholders.

Mr. Borgas outlined the strategic focus and the three pillars at its foundation, being cost reduction, expansion of business model and growth into new markets, advising that the Company was still prepared to pursue selective M&A, even in this crisis, in order to build its position in other markets.

Mr. Borgas concluded his report, noting that the Company was proud to publish specific sustainability targets in the 2019 Annual Report & Accounts and referred to CO₂ emissions reduction by 15% by 2025 and the work ongoing to progress diversity targets.

The Chairman thanked Mr. Borgas for the presentation and invited Ms. van der Vleuten to give a presentation.

Ms. van der Vleuten thanked the Chairman and presented her report. She noted she was the lead partner of PwC signing the auditor's report of the financial statements of the Company for the year 2019. She outlined the 2019 group audit cooperation with teams around the world and the supervision of the audit.

She summarised the activities performed to substantiate the auditors' report and the conclusion thereon reached. She noted that as independent auditors of the Company they had issued an unqualified auditor's report, dated 31 March 2020, to the financial statements of the Company for the year 2019 which provided a true and fair view. The accounting policies had been consistently applied, with the exception of the application for new accounting standards IFRS 16, and she confirmed that the financial statements were appropriately based on the Company as a going concern. Given the inherent uncertainties around the potential impact of the COVID-19 pandemic, she advised that an emphasis of matter had been included in the report on this topic, highlighting the disclosures made by management in their Annual Report.

She confirmed that the other information included in the Annual Report was consistent with the financial statements as well as compliant with laws and regulations, including the disclosure included in the remuneration report and that there were no specific matters to report. She advised that the

description of the risk management and control systems in the Annual Report was in line with the results of the audit and that the major risks considered relevant from an audit perspective had been appropriately disclosed in the Annual Report.

She summarised the audit approach which entailed the following:

- a materiality level of EUR 14 million, being 5% of adjusted profit before tax. The profit was adjusted before tax for impairment and restructuring changes in charge which were considered unusual or infrequent;
- work was conducted at 15 locations worldwide, which resulted in an audit coverage of 85% of consolidated revenue and assets. Most of the work was conducted at the larger components, including Austria/Germany, Brazil, US, China, India and the Netherlands;
- specific attention was paid to the Company's going concern assessment and concurred with the Company that there was no material uncertainty with respect to the Company's ability to continue as a going concern; and
- the risk of management override of controls and the risk of material misstatement due to fraud in revenue recognition was always audited and she noted that they were not responsible for detecting fraud although there were sufficient procedures included in their plan to reduce this risk to an acceptable level.

Four key audit matters were reported: the recoverability of deferred tax assets, the accounting for the plant rationalization programme, the valuation of goodwill and other intangible assets, and the implementation of IFRS 16 on leasing.

She noted that more details could be found in the auditor's report. The Chairman thanked Ms. van der Vleuten and moved to agenda item 2.

Agenda item 2

The Chairman noted that the second agenda item concerned the explanation of the policy on additions to reserves and dividends. He explained that this agenda item was for discussion and was not an item to be voted on. He invited Mr. Ian Botha to provide an explanation of the policy on additions to reserves and dividends.

Mr. Botha outlined the policy noting that despite the Group's strong financial position, following the COVID-19 outbreak, the Board had decided not to recommend the payment of a final dividend for 2019. He noted the Board felt it was an appropriate and prudent measure to take in order to preserve the Company's strong financial liquidity, cash flow and financial position during this period of uncertainty. This decision would be reviewed later in the year should the outlook become clearer. He advised that, in the long term the Company intended to pay out dividends in line with its progressive dividend policy. The 2019 profit of 139 million euros would be allocated to retained earnings and future dividends would be distributed out of profits or retained earnings.

He explained that the Company's articles of association stipulated a mandatory reserve of 289 million euros, which was created in connection with the merger of RHI and Magnesita and advised that this

mandatory reserve, together with cash flow hedge adjustments and foreign currency translation adjustments, represent legal reserves. No dividend or other distribution could be made out of legal reserves. He further explained that there were no changes to the Reserves policy.

The Chairman thanked Mr. Botha for the explanation and proceeded to agenda item 3.

Agenda item 3

The Chairman noted that agenda item 3 was the first voting item and related to the adoption of the annual accounts for the financial year ended 31 December 2019. The Company's annual accounts for the past year and related documents were made available as part of the publication of the AGM documents on 6 May 2020 and are available on the Company's website and at the Company's offices at Kranichberggasse 6, 1120 Vienna, Austria.

The Chairman submitted to the AGM the proposal to adopt the annual accounts of the Company for the financial year ended 31 December 2019.

Agenda item 4

The Chairman submitted to the AGM the proposal to release the Directors from liability for the exercise of their respective duties during the financial year 2019

Agenda item 5

The Chairman continued, presenting the agenda item proposing to partially amend the Company's articles of association, on the proposal made by the Board. These proposed amendments were explained in the explanatory notes to the agenda and outlined in the verbatim text of the proposed amendment to the articles of association, which formed an appendix to the AGM notice.

The proposal included the proposal to authorize certain individuals, being each Director and each individual in the Linklaters LLP Amsterdam office set out in the AGM notice, to sign the deed of amendment of the Company's articles of association and to undertake all other action that the authorized person deemed necessary or useful.

The Chairman submitted to the AGM the proposal to partially amend the Company's articles of association.

Agenda items 6a and 6b

The Chairman noted that in accordance with the Company's articles of association, Mr. Stefan Borgas, as Executive Director and CEO, and Mr. Ian Botha, as Executive Director and CFO, retired and offered themselves for re-election at the nomination of the Board. The Chairman advised that biographical and other relevant details of each of the Executive Directors standing for re-election were contained in the notice to the AGM. He noted that the Board confirmed that the Executive Directors standing for re-election continued to perform effectively and demonstrate commitment to their roles.

The Chairman submitted to the AGM the separate proposals to re-elect Mr. Borgas as Executive Director and CEO, and to re-elect Mr. Ian Botha as Executive Director and CFO.

Agenda items 7a-k

The Chairman informed the persons present at the AGM that, in accordance with the Company's articles of association, the following persons retired and offered themselves for re-election at the nomination of the Board:

- (a) the Chairman as Non-Executive Director and Chairman.
- (b) Mr. Wolfgang Ruttenstorfer as Non-Executive Director.
- (c) Mr. Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg as Non-Executive Director.
- (d) Mr. David Schlaff as Non-Executive Director.
- (e) Mr. Karl Sevelda as Non-Executive Director.
- (f) Ms. Celia Baxter as Non-Executive Director.
- (g) Mr. James Leng as Non-Executive Director, Senior Independent Director and Deputy Chairman.
- (h) Mr. John Ramsay as Non-Executive Director.
- (i) Dr. Andrew Hosty as Non-Executive Director.
- (j) Ms. Janet Ashdown as Non-Executive Director.
- (k) Ms. Fiona Paulus as Non-Executive Director.

He noted that biographical and other relevant details of each of the Non-Executive Directors standing for re-election were outlined in the notice to the AGM.

The Chairman continued that the Board had confirmed that all Non-Executive Directors standing for re-election continued to perform effectively and demonstrate commitment to their roles. The Chairman submitted to the AGM the separate proposals to re-elect each of the Non-Executive Directors in their roles as mentioned. He confirmed that although the re-election proposals had been collectively summarized, shareholders should vote on the separate proposals to re-elect the individual Directors.

Agenda item 8

The Chairman explained that agenda item 8 was the proposal to approve, as an advisory vote, the Directors' remuneration report (excluding the Directors' remuneration policy) for the period ended 31 December 2019.

He noted that because the Company was not incorporated in the UK, it was not required to propose this resolution for UK law purposes but had done so to meet the best UK governance standards. He further noted that as such, this vote was proposed as an advisory vote for Dutch law purposes and an approval for UK law purposes. The annual report on remuneration was included in the Company's 2019 Directors' report. The Chairman proposed the resolution to the AGM and explained that a non-binding resolution would not affect the actual remuneration paid to an individual Director.

Agenda item 9

The Chairman proposed agenda item 9, being the resolution to establish the proposed remuneration of the Non-Executive Directors, to the AGM. The precise details were outlined in the explanatory notes to the Notice of the AGM.

The Chairman noted that the remaining agenda items related to share capital authorizations and if granted, the authorizations in agenda items 10 to 12 would remain valid until the end of the next annual general meeting of the Company or the date which falls 15 months from the date of this AGM, whichever is the earlier.

Agenda item 10

In relation to agenda item 10, the Chairman explained that in line with the UK Investment Association's Share Capital Management Guidelines, the authorisation in agenda item 10 under (i) would allow for issuances of shares or granting of rights to acquire shares up to one third of the Company's issued capital in connection with a pre-emptive offer or on a non-pre-emptive basis. The authorisation in agenda item 10 under (ii) would allow for issuances of shares or granting of rights to acquire shares up to an additional one third of the Company's issued capital, but only on a pre-emptive basis in connection with an offer by way of a rights issue.

The Chairman submitted to the AGM the proposal to irrevocably authorise the Board to resolve to issue shares or grant rights to acquire shares. He said that the full text of the proposed resolution had been set out in the AGM notice.

Agenda item 11

The Chairman submitted to the AGM the proposal to irrevocably authorise the Board to resolve to limit or exclude pre-emptive rights if shares were issued or rights were granted pursuant to the authority given by resolution 10. The full text of the proposed resolution had been set out in the AGM notice.

Agenda item 12

The Chairman noted that agenda item 12 was the final item for the AGM. He submitted to the AGM the proposal to irrevocably authorise the Board to acquire shares in the Company or depositary receipts of such shares (including depositary interests), up to a maximum of 10% of the Company's issued capital at the date of acquisition. The full text of the proposed resolution was set out in the AGM notice.

Conclusion

The Chairman advised that the resolutions had all been recited and that voting, which had been open since the start, will close shortly, after any questions have been addressed.

The Chairman noted that no questions had been submitted in advance or in the course of the meeting. In due course, the Chairman noted that voting had been closed and votes had been registered. A summary was presented to the meeting and it was noted that the voting results would be published on the website, by means of an RNS shortly after the meeting.

The voting results of each resolution were presented to the AGM and the Chairman summarised the votes in favour as follows:

Resolutions	Votes for	Votes against	Votes withheld	% of votes cast for
Resolution 3 To adopt the annual accounts for the financial year ended 31 December 2019	37,678,821	100	105,367	100.00
Resolution 4 To release the Directors from liability for the exercise of their respective duties during the financial year 2019	37,608,738	130,497	45,053	99.65
Resolution 5 To amend the Articles of Association of the Company	37,783,138	100	1,050	100.00
Resolution 6. a. To re-elect S. Borgas as Executive Director and CEO	37,624,555	91,841	67,892	99.76
Resolution 6. b. To re-elect I. Botha as Executive Director and CFO	37,724,599	58,639	1,050	99.84
Resolution 7. a. To re-elect H. Cordt as Non-Executive Director and Chairman	34,442,021	2,991,217	351,050	92.01
Resolution 7. b. To re-elect W. Ruttendorfer as Non-Executive Director	37,608,232	175,006	1,050	99.54
Resolution 7. c. To re-elect S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg as Non-Executive Director	37,735,581	47,657	1,050	99.87
Resolution 7. d. To re-elect D.A. Schlaff as Non-Executive Director	37,095,402	687,836	1,050	98.18
Resolution 7. e. To re-elect K. Sevelde as Non-Executive Director	37,741,486	41,752	1,050	99.89
Resolution 7. f. To re-elect C.F. Baxter as Non-Executive Director	37,666,418	116,820	1,050	99.69
Resolution 7. g. To re-elect J.W. Leng as Non-Executive Director, Senior Independent Director and Deputy Chairman	37,708,139	75,099	1,050	99.80
Resolution 7. h. To re-elect J. Ramsay as Non-Executive Director	37,508,245	274,993	1,050	99.27
Resolution 7. i. To re-elect A. J. Hosty as Non-Executive Director	37,744,507	38,731	1,050	99.90

Resolution 7. j. To re-elect J. Ashdown as Non-Executive Director	37,677,665	105,573	1,050	99.72
Resolution 7. k. To re-elect F. Paulus as Non-Executive Director	37,744,407	38,831	1,050	99.90
Resolution 8 To approve, as an advisory vote, the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the period ended 31 December 2019	30,616,066	7,100,330	67,892	81.17
Resolution 9 To establish the proposed remuneration of the Non-Executive Directors	37,783,138	100	1,050	100.00
Resolution 10 To irrevocably authorise the Board to issue ordinary shares or grant rights to acquire ordinary shares, as detailed in the AGM notice	37,681,346	101,892	1,050	99.73
Resolution 11 Subject to the passing of Resolution 10, to irrevocably authorise the Board to resolve to limit or exclude pre-emption rights, as detailed in the AGM notice	37,783,138	100	1,050	100.00
Resolution 12 To irrevocably authorise the Board to acquire shares in the Company or depositary receipts of such shares, as detailed in the AGM notice	37,554,606	226,334	3,348	99.40

The Chairman confirmed that all resolutions had been adopted.

Closing

The Chairman thanked the Directors and all shareholders and other persons present for attending the AGM and the staff of Computershare Netherlands for their assistance with the AGM.

He also thanked the representatives from PricewaterhouseCoopers Accountants N.V. and Linklaters LLP, Amsterdam for attending the AGM and the Secretary for the arrangements made in regard to the AGM and declared the AGM closed.

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H Cordt, Chairman



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S Caswell, Secretary

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