



**RHI MAGNESITA**

**DRAFT MINUTES OF THE ANNUAL GENERAL MEETING OF**

**RHI MAGNESITA N.V.**

**HELD ON 10 JUNE 2021**

**Minutes of the annual general meeting of RHI Magnesita N.V. (the “Company”), held as a virtual meeting on 10 June 2021 at 14.00 CET (the “AGM”).**

## **OPENING**

Herbert Cordt welcomed all those 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:

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

The Chairman then introduced the three persons proposed to be elected as Non-Executive Directors at the AGM:

- Jann Brown
- Marie-Hélène Ametsreiter
- Sigalia Heifetz

The Chairman then introduced the advisors present:

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

Finally, the Chairman introduced 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 27 April 2021 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 thanked Ms. Caswell and 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.

### **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 2020. He noted that this agenda item was for discussion and was not an item to be voted on. The Chairman invited Stefan Borgas to give a presentation in respect of this item.

Mr. Borgas thanked the Chairman and presented the results for 2020 to the shareholders. He noted that it had been an extraordinary year, in which RHI Magnesita had responded swiftly to the challenges, maintaining liquidity, delivering free cash flow of €290 million and reducing net debt to €582 million.

He outlined the strategic focus of the Company, noting the share buyback programmes, and focus on sustainability, summarising that the Company was well placed to take advantage of strategic opportunities. He gave an overview of the focus on health & safety and particularly, the response to COVID-19 to ensure the health and safety of employees.

He moved on to give details on the financial highlights, noting a reduction in revenue, sustained cash flow, reduced net debt, and liquidity of over €1 billion throughout 2020. He referred to the refractory and raw material margins and the continuing delivery of strategic initiatives which was expected to progress further in 2021 and 2022.

He thanked shareholders for their support of the decision to invest €50 million over the next four years into developing enabling technologies which would eventually enable RHI Magnesita to become a carbon neutral business.

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

presentation.

Ms. van der Vleuten thanked the Chairman and presented her report. She advised the meeting that she was the lead partner of PwC, signing the auditor's report of the financial statements of the Company for the year 2020. She outlined the process of the 2020 group audit conducted under her direct supervision. She noted that her report would elaborate on the activities performed to substantiate the audit report and the conclusion reached upon that, noting that the Board remained responsible for addressing questions on the content of the Annual Report and matters relating to internal control.

She noted that as independent auditors of the Company, PwC had issued an unqualified auditor's report, dated 7 March 2021, to the Financial Statements of RHI Magnesita NV for the year 2020. She advised that these Financial Statements provided a true and fair view, with accounting policies consistently applied over the year and that the Financial Statements had been appropriately prepared on the basis of the Company as a going concern.

PwC had assessed that the other information included in the Annual Report was consistent with the Financial Statements, as well as its compliance with laws and regulations, including the disclosure included in the remuneration report, noting that there were no specific matters to report in this respect, concluding that the description of the risk management and control systems in the Annual Report was in line with the results of their audit and that the major risks that they considered relevant from an audit perspective had been appropriately disclosed in the Annual Report.

She gave an overview of approach in respect of materiality and scope, the audit of fraud risk, and the three key audit matters, noting that more detailed information was included in the auditor's report.

A materiality level of €9.7 million was applied and had been determined using 5% of adjusted profit before tax before exceptional items. The adjusted profit before tax was adjusted for restructuring changes which were considered to be unusual or infrequent. The audit had been conducted at nine locations, including Austria, Germany, Brazil, the United States, China, India, and the Netherlands, resulting in an audit coverage of 87% of consolidated revenue and 84% of total assets.

Whilst not responsible for detection of fraud, she noted that the risk of management override of controls and the risk of material misstatement due to fraud in revenue recognition had been audited, with a number of procedures applied to make sure that the risk was reduced to an acceptable level.

The three audit matters were noted as being the recognition and the recoverability of deferred tax assets, the accounting for the production optimization program, and the valuation of goodwill and other intangible assets.

The Chairman thanked Ms. van der Vleuten and moved to agenda item 2.

## **Agenda item 2**

The Chairman noted that the non-voting second agenda item concerned the explanation of the policy on additions to reserves and dividends. He invited Ian Botha to provide an explanation of the policy.

Mr. Botha explained that the Company's articles of association stipulated a mandatory reserve of €289 million, 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. On 31 December 2020, the Company's distributable reserves, excluding the Legal Reserves, were €231 million. There had been no changes made to the Reserves policy.

He advised that, following the resilient performance and strong cash generation of the business in 2020, as well as the improving confidence in the market outlook, the Board had recommended a final dividend of €1.00 per share, or €48 million in aggregate, to the shareholders for approval, with the details of payment outlined in the AGM Notice. He noted that, together with the interim dividend of €0.50 declared on 22 October 2020, this represented a full year dividend of €1.50 per share in respect of the 2020 financial year, with a dividend cover of 2.2 times.

The Chairman thanked Mr. Botha for the explanation.

### **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 13 May 2021, including 1,552,934 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 47,924,771 votes and that shareholders representing 39,070,808 shares were present as attendees to the virtual meeting or by proxy, representing 81.53% of the issued capital of the Company on the record date for 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 and proceeded to agenda item 3.

### **Agenda item 3**

The Chairman submitted to the AGM, as the first voting item, the proposal to adopt the annual accounts of the Company for the financial year ended 31 December 2020, which had been made available as part of the publication of the AGM documents on 27 April 2021 on the Company's website and at the Company's offices at Kranichberggasse 6, 1120 Vienna, Austria.

### **Agenda item 4**

The Chairman noted that agenda item 4 was the declaration of a final dividend of €1.00 per share for the financial year ended 31 December 2020.

### **Agenda item 5**

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 2020.

### **Agenda item 6**

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 7a and 7b**

The Chairman noted that in accordance with the Company's articles of association, Stefan Borgas, as Executive Director and CEO, and 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 Stefan Borgas as Executive Director and CEO, and to re-elect Ian Botha as Executive Director and CFO.

### **Agenda items 8a-k**

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

- (a) Herbert Cordt, as Non-Executive Director and Chairman.
- (b) Wolfgang Ruttenstorfer as Non-Executive Director.
- (c) Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg as Non-Executive Director.
- (d) David Schlaff as Non-Executive Director.
- (e) Karl Sevelde as Non-Executive Director.
- (f) John Ramsay as Non-Executive Director, Senior Independent Director and Deputy Chairman.
- (g) Janet Ashdown as Non-Executive Director.
- (h) Fiona Paulus as Non-Executive Director.

The Chairman then advised that the following (i to k) persons offered themselves for election at the nomination of the Board:

- (i) Janice Brown as Non-Executive Director.
- (j) Marie-Hélène Ametsreiter as Non-Executive Director.
- (k) Sigalia Heifetz 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 proposals under item 8 had been collectively summarized, shareholders should vote on the separate proposals to re-elect and elect the individual Directors.

#### **Agenda item 9**

The Chairman moved on to agenda item 9 which was the re-appointment of PricewaterhouseCoopers Accountants N.V. as the Company's auditor for the financial year 2021.

#### **Agenda item 10**

The Chairman explained that agenda item 10 was the proposal to approve, as an advisory vote, the Directors' remuneration report (excluding the Directors' remuneration policy) for the period ended 31 December 2020.

He noted that the vote was proposed as an advisory vote for Dutch law purposes and was in alignment with UK listed Company practice and that the annual report on remuneration was included in the Company's 2020 Annual report. The Chairman proposed the resolution to the AGM.

#### **Agenda item 11**

The Chairman proposed agenda item 11, being the binding resolution to adopt the Directors' Remuneration Policy to take effect from 1 January 2021 to January 2024, noting that the policy was detailed in the Annual Report 2020 on pages 107 to 116 and had been developed following a period of consultation between the Remuneration Committee and shareholders. The Chairman advised shareholders that if the resolution was not passed, the current remuneration policy approved by the General Meeting on 7 June 2018 would continue to be in effect and a revised policy would be brought to the 2022 AGM.

#### **Agenda item 12**

The Chairman continued with agenda item 12 which was the resolution to establish the proposed remuneration of the Non-Executive-Directors. 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 13 to 15 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 the AGM, whichever is the earlier.

#### **Agenda item 13**

In relation to agenda item 13, the Chairman explained that in line with the UK Investment Association's Share Capital Management Guidelines, the authorisation in agenda item 13 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 13 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, with the full text of the proposed resolution set out in the AGM notice.

#### **Agenda item 14**

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 13. The full text of the proposed resolution had been set out in the AGM notice.

#### **Agenda item 15**

The Chairman submitted to the AGM, as the final agenda item, 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, that voting would shortly close, and 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. The voting results of each resolution were presented to the AGM and the Chairman summarised the votes in favour as follows:

<b>Resolutions</b>	<b>Votes for</b>	<b>Votes against</b>	<b>Number of votes withheld</b>	<b>% of votes cast for</b>
<b>Resolution 3</b> To adopt the annual accounts for the financial year ended 31 December 2020	38,860,089	2,082	208,587	99.99
<b>Resolution 4</b> To declare a final dividend of €1.00 per share for the financial year ended 31 December 2020	39,050,758	20,000	0	99.95
<b>Resolution 5</b> To release the directors from liability for the exercise of their respective duties during the financial year 2020	38,851,531	4,112	215,115	99.99
<b>Resolution 6</b> To amend the Articles of Association of the Company	38,968,117	102,288	353	99.74



<b>Resolution 7. a.</b> To re-elect S. Borgas	38,961,942	108,816	0	99.72
<b>Resolution 7. b.</b> To re-elect I. Botha	38,961,356	109,402	0	99.72
<b>Resolution 8. a.</b> To re-elect H. Cordt	37,923,052	584,810	562,896	98.48
<b>Resolution 8. b.</b> To re-elect W. Rutenstorfer	38,959,994	110,764	0	99.72
<b>Resolution 8. c.</b> To re-elect S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg	38,961,942	108,816	0	99.72
<b>Resolution 8. d.</b> To re-elect D.A. Schlaff	38,961,942	108,816	0	99.72
<b>Resolution 8. e.</b> To re-elect K. Sevelde	38,910,385	160,373	0	99.59
<b>Resolution 8. f.</b> To re-elect J. Ramsay	38,655,733	415,025	0	98.94
<b>Resolution 8. g.</b> To re-elect J.E. Ashdown	38,966,420	104,337	1	99.73
<b>Resolution 8. h.</b> To re-elect F.J.M. Paulus	38,968,503	102,255	0	99.74
<b>Resolution 8. i.</b> To elect J.M. Brown	37,269,208	1,588,655	212,895	95.91
<b>Resolution 8. j.</b> To elect M-H. Ametsreiter	39,032,725	38,033	0	99.90
<b>Resolution 8. k.</b> To elect S. Heifetz	35,498,521	3,572,237	0	90.86
<b>Resolution 9</b> To re-appoint PricewaterhouseCoopers Accountants N.V. as the Company's auditor for the financial year 2021	38,921,718	149,040	0	99.62
<b>Resolution 10</b> To approve, as an advisory vote, the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the period ended 31 December 2020	36,339,606	1,582,904	1,148,248	95.83
<b>Resolution 11</b> To adopt the Directors' Remuneration Policy which takes effect from 1 January 2021	37,487,854	1,582,904	0	95.95
<b>Resolution 12</b> To establish the proposed remuneration of the Non-Executive Directors	39,070,354	404	0	100.00
<b>Resolution 13</b> Authority to issue ordinary shares or grant rights to acquire ordinary shares.	38,562,164	508,241	353	98.70
<b>Resolution 14</b> Limited disapplication of pre-emption rights.	38,770,849	299,555	354	99.23
<b>Resolution 15</b> Authority to acquire shares in the Company or depositary receipts of such shares.	38,891,222	171,155	8,381	99.56

The Chairman confirmed that all resolutions had been adopted and that the voting results would be published on the website, by means of an RNS shortly after the meeting.

**Closing**

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

He then noted particular thanks and best wishes to Celia Baxter and Andrew Hosty, for their dedication and hard work with the Company since their appointment in 2017, wishing them all the best for the future.

He also thanked the representatives from PricewaterhouseCoopers Accountants N.V. 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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