



**RHI MAGNESITA**

**MINUTES OF THE ANNUAL GENERAL MEETING OF**

**RHI MAGNESITA N.V.**

**HELD ON 25 May 2022**

**Minutes of the annual general meeting of RHI Magnesita N.V.** (the “**Company**”), held as a virtual meeting on 25 May 2022 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;
- Janet Ashdown, Non-Executive Director and Chair of the Remuneration Committee and Chair of the Corporate Sustainability Committee;
- Wolfgang Ruttendorfer, Non-Executive Director;
- David Schlaff, Non-Executive Director;
- Karl Sevelde, Non-Executive Director;
- Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, Non-Executive Director;
- Karin Garcia, Employee Representative Director;
- Martin Kowatsch, Employee Representative Director;
- Jann Brown, Non-Executive Director;
- Fiona Paulus, Non-Executive Director;
- Marie-Hélène Ametsreiter, Non-Executive Director; and
- Michael Schwarz, Employee Representative Director.

The Chairman noted the apologies of Sigalia Heifetz, Non-Executive Director, to the shareholders.

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 2017 through 2021.
- 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 13 April 2022 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 2021. 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 2021 to the shareholders. He noted that it had been a challenging year given the disruption in the global supply chain. Nevertheless the Company's revenue had increased year on year to €2.6 billion, and the volumes were back to above pre-pandemic, 2019 levels.

He noted that the inventory levels were significantly increased during the year, ensuring supplies to customers. Further progress had been achieved, as expected, with two M&A transactions in Turkey and China.

He gave an overview of the Company's focus on health and safety, emphasizing in particular the awareness of employees that health and safety remained a high priority.

He moved on to give details on the financial highlights, noting a recovery in revenue and volume, the offsetting of price increases by higher costs, sustained cash flow, net debt, improvement of EBITA and liquidity of over €1billion throughout 2021. He referred to the refractory and raw material margins and the continuing delivery of strategic initiatives which was expected to progress further in 2022 and 2023.

He outlined highlights in sustainability matters, such as gender diversity, and the Company's leadership in sustainability in the refractories industry. He also explained the Company's efforts and progress in reducing its environmental footprint to achieve the goal of becoming a carbon-neutral company.

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 introduced herself as the lead partner of PwC, signing the auditor's report of the financial statements of the Company for the year 2021. She outlined the process of the 2021 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 27 February 2022, to the Financial Statements of RHI Magnesita NV for the year 2021. 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.

A materiality level of €12.6 million 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 14 locations resulting in an audit coverage of 85% of consolidated revenue, 85% of assets and 72% of profit before tax.

She indicated that, as required by the new auditing standards in the Netherlands, PwC had reported upon the work done to validate management's assessment of going concern. It was further emphasized that based on the audit procedures performed, PwC concurred with the Company's preparation of the financial statements based on the going concern assumption.

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 two key audit matters were noted as being, the recognition and the recoverability of deferred tax assets and the valuation of goodwill and other intangible assets.

She indicated that, as required for Dutch listed companies and EU Public Interest Entities, the key audit partner, or signing partner is to rotate after a maximum of 5 years engagement. As

2021 was her 5<sup>th</sup> year, and after appropriate diligence by the chair of the Audit Committee as well as management, she would be transitioning her role and responsibility to her colleague Antoine Westerman for the remainder of PwC's firm tenure, being a maximum of 10 years.

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

### **Agenda item 2**

The Chairman noted that the second agenda item was also for discussion only and 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 nearly €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 2021, the Company's distributable reserves, excluding the Legal Reserves, were €408 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 2021, as well as the improving confidence in the market outlook, the Board had recommended a final dividend of €1.00 per share, or €47 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 27 July 2021, this represented a full year dividend of €1.50 per share in respect of the 2021 financial year, with a dividend cover of 3.0 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 27 April 2022, including 2,478,686 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 46,999,019 votes and that shareholders representing 36,061,102 shares were present as attendees to the virtual meeting or by proxy, representing 76.73% 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 2021, which had been

made available as part of the publication of the AGM documents on 13 April 2022 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 2021.

#### **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 2021.

#### **Agenda items 6a and 6b**

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 7a-k**

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

- (a) Herbert Cordt, as Non-Executive Director and Chairman.
- (b) John Ramsay as Non-Executive Director, Senior Independent Director and Deputy Chairman.
- (c) Janet Ashdown as Non-Executive Director.
- (d) David Schlaff as Non-Executive Director.
- (e) Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg as Non-Executive Director.
- (f) Fiona Paulus as Non-Executive Director.
- (g) Janice Brown as Non-Executive Director.
- (h) Karl Sevelde as Non-Executive Director.
- (i) Marie-Hélène Ametsreiter as Non-Executive Director.
- (j) Sigalia Heifetz as Non-Executive Director.
- (k) Wolfgang Ruttendorfer 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 7 had been collectively summarized, shareholders should vote on the separate proposals to re-elect the individual Directors.

#### **Agenda item 8**

The Chairman moved on to agenda item 8 which was the re-appointment of PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2022.

#### **Agenda item 9**

The Chairman explained that agenda item 9 was the proposal to approve, as an advisory vote, the Directors' remuneration report (excluding the Directors' remuneration policy) for the period ended 31 December 2021.

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 2021 Annual report. The Chairman proposed the resolution to the AGM.

#### **Agenda item 10**

The Chairman continued with agenda item 10 which was the resolution to establish the proposed remuneration of the Non-Executive-Directors. The precise details were noted to be 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 11 to 13 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 11**

In relation to agenda item 11, the Chairman explained that in line with the UK Investment Association's Share Capital Management Guidelines, the authorisation in agenda item 11 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 11 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 Notice of the AGM.

#### **Agenda item 12**

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 11. The full text of the proposed resolution had been set out in the Notice of the AGM.

### Agenda item 13

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 noted to be as 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 closed with the votes registered. 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	Number of votes withheld	% of votes cast for
<b>Resolution 3</b> To adopt the annual accounts for the financial year ended 31 December 2021	35,938,623	0	122,479	100.00
<b>Resolution 4</b> To declare a final dividend of €1.00 per share for the financial year ended 31 December 2021	36,057,190	0	3,912	100.00
<b>Resolution 5</b> To release the directors from liability for the exercise of their respective duties during the financial year 2021	35,936,576	0	124,526	100.00
<b>Resolution 6. a.</b> To re-elect S. Borgas	35,968,305	88,675	4,122	99.75
<b>Resolution 6. b.</b> To re-elect I. Botha	35,745,356	97,400	218,346	99.73
<b>Resolution 7. a.</b> To re-elect H. Cordt	33,245,455	2,247,301	568,346	93.67
<b>Resolution 7. b.</b> To re-elect J. Ramsay	35,502,247	554,733	4,122	98.46
<b>Resolution 7. c.</b> To re-elect J. Ashdown	36,023,866	33,114	4,122	99.91
<b>Resolution 7. d.</b> To re-elect D.A. Schlaff	34,947,792	894,964	218,346	97.50
<b>Resolution 7. e.</b> To re-elect S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg	34,947,725	895,031	218,346	97.50
<b>Resolution 7. f.</b> To re-elect F.J.M. Paulus	36,023,933	33,047	4,122	99.91



<b>Resolution 7. g.</b> To re-elect J. Brown	36,023,736	33,244	4,122	99.91
<b>Resolution 7. h.</b> To re-elect K. Sevelde	38,859,011	197,969	4,122	99.45
<b>Resolution 7. i.</b> To re-elect M-H. Ametsreiter	36,023,866	33,114	4,122	99.91
<b>Resolution 7. j.</b> To re-elect S. Heifetz	34,258,452	1,798,528	4,122	95.01
<b>Resolution 7. k.</b> To re-elect W. Rutenstorfer	32,755,535	3,087,221	218,346	91.39
<b>Resolution 8</b> To re-appoint PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2022	36,056,638	67	4,397	100.00
<b>Resolution 9</b> To approve, as an advisory vote, the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the period ended 31 December 2021	35,808,248	248,942	3,912	99.31
<b>Resolution 10</b> To establish the proposed remuneration of the Non-Executive Directors	36,040,542	16,648	3,912	99.95
<b>Resolution 11</b> Authority to issue ordinary shares or grant rights to acquire ordinary shares.	35,637,463	419,727	3,912	98.84
<b>Resolution 12</b> Limited disapplication of pre-emption rights.	34,740,220	1,316,970	3,912	96.35
<b>Resolution 13</b> Authority to acquire shares in the Company or depositary receipts of such shares.	35,985,259	67,747	8,096	99.81

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, 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 Esther van der Vleuten from PwC and welcomed Antoine Westerman in his new role as the Company's audit partner in 2022.

He also thanked the representatives from Linklaters LLP for attending the AGM, 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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