



**RHI MAGNESITA**

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

**RHI MAGNESITA N.V.**

**HELD ON 24 May 2023**

**Minutes of the annual general meeting of RHI Magnesita N.V.** (the “**Company**”), held as a hybrid meeting on 24 May 2023 at 14.00 CET (the “**AGM**”), via webcast and at the offices of Linklaters LLP, Zuidplein 180, WTC Tower H, 21st floor, 1077 XV Amsterdam, the Netherlands.

## **OPENING**

Jelger Buitelaar was appointed by Dr Herbert Cordt, Chairman of the Board, to act as Chairman of the AGM (the “**Chairman**”) and opened the AGM from Amsterdam before handing over to Herbert Cordt.

Herbert Cordt (“**Dr. Cordt**”) introduced himself as the chairman of the board of the Company (the “**Board**”) and, before proceeding to the formal business of the AGM, he 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 Chairman of the Audit and Compliance Committee;
- Janet Ashdown, Non-Executive Director and Chairman of the Corporate Sustainability Committee and Remuneration Committee;
- David Schlaff, Non-Executive Director;
- Stanislaus Prinz zu Sayn-Wittgenstein-Berleburg, Non-Executive Director;
- Jann Brown, Non-Executive Director;
- Karl Sevelde, Non-Executive Director;
- Marie-Hélène Ametsreiter, Non-Executive Director;
- Wolfgang Ruttensstorfer, Non-Executive Director;
- Karin Garcia, Employee Representative Director;
- Martin Kowatsch, Employee Representative Director; and
- Michael Schwarz, Employee Representative Director.

Dr. Cordt then introduced the advisors present:

- Antoine Westerman, partner of PricewaterhouseCoopers Accountants N.V., the Company’s external auditor; and
- Guido Portier of Linklaters LLP, a civil law notary in Amsterdam, the Netherlands, who had received powers of attorney from certain shareholders.

Dr. Cordt then gave an overview of the Q&A process at the AGM, noting that no questions had been submitted in advance of the AGM. He noted that agenda items 1 and 2 would be addressed as discussion items, followed by the proposal of voting items, and any questions submitted during the meeting, in respect of all agenda items, would be addressed together at the end, before the close of voting.

The Chairman introduced Sally Caswell, the Company Secretary, and he 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 12 April 2023 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, unless votes had been provided by proxy in advance, and gave a brief explanation on how to cast a vote and how the closure of voting would be notified in advance.

## **Shares present and votes**

The Chairman then advised the meeting that a total of 49,477,705 shares in the capital of the Company were outstanding on the record date of the AGM, being 26 April 2023, including 2,460,010 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 47,017,695 votes and that shareholders representing 36,262,449 shares were present, as either attendees to the hybrid meeting or by proxy, representing 77.13% 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 invited Dr Cordt to outline the agenda items.

## **AGENDA ITEMS**

### **Agenda item 1**

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 2022. This agenda item was for discussion and was not an item to be voted on. Stefan Borgas was invited to give a presentation in respect of this item.

Mr. Borgas presented the results for 2022 to the shareholders. He noted it was characterised by strong revenue growth against a backdrop of high-cost increases. Volumes had been broadly flat until quarter 4 when they had been subdued. He outlined the Health & Safety performance, noting that the Company continued to have an industry leading low-level of accidents but intended to reduce that level even further.

Mr Borgas detailed the financial KPIs for shareholders, including the increase in the dividend. He referred attendees to the successful M&A strategy and noted the new gearing target which had been introduced and the expected benefits for the Company and its customers.

Mr Borgas gave an overview of the development of the margins and the factors which influenced it. He detailed the equity raise of €100m by the Indian subsidiary and an overview of the debt maturity profile. He noted plant investments in Brazil and an improved conversion cost through strategic cost savings, as well as the delivery of sales initiatives in certain products.

He summarized that RHI Magnesita was operating a resilient platform from which it could continue to expand its industry leadership. The Company would continue to seek out assets for acquisition in a fragmented competitive environment.]

Dr. Cordt thanked Mr. Borgas for the presentation and invited Antoine Westerman to give a presentation.

[Mr. Westerman thanked the Chairman and presented his report. He introduced himself as the lead partner of PwC, signing the auditor's report of the financial statements of the Company for the year 2022. He outlined the process of the 2022 group audit conducted under his direct supervision. He noted that his 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.

He noted that as independent auditors of the Company, PwC had issued an unqualified auditor's report, dated 26 February 2023, to the Financial Statements of RHI Magnesita NV for the year 2022. He 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 €14 million had been determined using 5% of adjusted profit before tax before exceptional items, being consistent with the approach in prior years and for public companies. Any identified differences exceeding €8,000 had been reported to the Audit Committee and the Board. The audit had been conducted at 13 locations, comprising site visits and remote file reviews, resulting in an audit coverage of 83% of consolidated revenue.

He referred to the auditor's report where the two key audit matters, recognition and valuation of tax positions and valuation of goodwill and other intangible assets, were outlined in detail. He emphasized the importance and the responsibility of companies to combat climate change and its impact, and that therefore it was an important part of their audit. He stated that management was continuously evaluating the impact of climate risk on the financial statements

due to the high degree of uncertainty in estimation. He also mentioned that PwC assessed, through inquiries, the appropriateness of management's assessment of the potential impact on major accounting estimates. Furthermore, he pointed out that the impact of climate risks was not considered a separate key audit matter.

Whilst not responsible for detection of fraud, he noted that the team had evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery & corruption. He noted that there had been interviews with members of the Board to obtain an understanding of the Company's approach to fraud risk assessment. As was standard in an audit, they addressed the risk of management override of controls including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud.

He indicated that PwC had specifically reported upon the work done to validate management's assessment of the Company being a going concern, and gave an overview of the specific tests the auditors had done on management's analysis. Based on the audit procedures performed, PwC concurred with the Company's preparation of the financial statements based on the going concern assumption.

He mentioned PwC's procedures over effectiveness of internal controls system, to the extent it was relevant for the audit. He noted that they had relied on controls when it was both effective and efficient to do so and overall, their audit approach was mainly substantive in nature. The effectiveness of key IT general controls relevant to the audit were tested, such as around segregation of duties.

He 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 2022 was his first year, it was noted that he would remain as signing partner for the remainder of PwC's tenure, due to conclude in 2026.

Dr Cordt thanked Mr. Westerman and moved to agenda item 2.

## **Agenda item 2**

The second agenda item was also for discussion only and concerned the explanation of the policy on additions to reserves and dividends. Ian Botha was invited 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 2022, the Company's distributable reserves, excluding the legal reserves, were €418 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 2022, the Board had recommended a final dividend of €1.10 per share, or €52 million in aggregate, to the shareholders for approval, with the details of payment outlined in the AGM Notice. He further stated that, the final dividend is payable on 6 July 2023 to shareholders on the register at the close of trading on 9 June 2023, subject to approval at this AGM. He noted that, together with the interim dividend of €0.50 per share declared on 1 August 2022, this represented a full year dividend of €1.60 per share in respect of the 2022 financial year, with a dividend cover of 3.0 times adjusted earnings per share.

Dr Cordt thanked Mr. Botha for the explanation.

### **Agenda item 3**

The first voting item was the proposal to adopt the annual accounts of the Company for the financial year ended 31 December 2022, which had been made available as part of the publication of the AGM documents on 12 April 2023 on the Company's website and at the Company's offices at Kranichberggasse 6, 1120 Vienna, Austria.

### **Agenda item 4**

Agenda item 4 was the declaration of a final dividend of €1.10 per share for the financial year ended 31 December 2022 and was submitted as a proposal to the AGM.

### **Agenda item 5**

Agenda item 5 was the proposal to the AGM to release the Directors from liability for the exercise of their respective duties during the financial year ended 31 December 2022.

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

It was 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, being also in line with the UK Corporate Governance Code. Dr. Cordt 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 separate proposals to re-elect Stefan Borgas as Executive Director and CEO, and to re-elect Ian Botha as Executive Director and CFO were submitted to the AGM.

### **Agenda items 7a-i**

Dr. Cordt informed the persons present at the AGM that, in accordance with the Company's articles of association and in accordance with the provisions of the UK Corporate Governance Code, the following (a-i) 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) Janice Brown as Non-Executive Director.
- (g) Karl Sevelde as Non-Executive Director.
- (h) Marie-Hélène Ametsreiter as Non-Executive Director.
- (i) 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. It was noted 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 separate proposals to re-elect each of the Non-Executive Directors in their roles as mentioned were submitted to the AGM. It was confirmed that although the proposals under items 6 and 7 had been collectively summarised, shareholders should vote on the separate proposals to re-elect the individual Directors.

#### **Agenda item 8**

Agenda item 8 was the re-appointment of PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2023 and such proposal was submitted to the AGM.

#### **Agenda item 9**

Dr Cordt 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 2022.

He noted that the vote was proposed as an advisory vote for Dutch law purposes and was in alignment with listed company governance in the UK and that the annual report on remuneration was included in the Company's 2022 Annual report. It was noted that this non-binding resolution would not reflect the actual remuneration paid to an individual director. The resolution was proposed to the AGM.

#### **Agenda item 10**

Agenda item 10 was the resolution to establish the proposed remuneration of the Non-Executive-Directors which was submitted to the AGM. The precise details were noted to be outlined in the explanatory notes to the Notice of the AGM. The proposal was submitted to the AGM accordingly.

#### **Agenda item 11**

Agenda item 11 was the proposal to partially amend the Articles of Association of the Company, on the proposal made by the Board.

The proposed amendments were noted to be 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.

Dr Cordt further stated that it included the proposal to authorise certain individuals, being the Directors and the individuals in the Linklaters LLP, Amsterdam office, as 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 authorised person deems necessary or useful. The proposal was submitted to the AGM accordingly.

### **Agenda item 12**

Agenda item 12 was proposed to the AGM to approve the adoption and operation of the RHI Magnesita Long Term Incentive Plan. It was pointed out that the full text of the rules had been made available on the Company's website and that a summary thereof was outlined in Annex II to the notice of the AGM.

The meeting considered that the remaining agenda items related to share capital authorisations and if granted, the authorisations in agenda items 13 to 16 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 was the earlier. The proposal was submitted to the AGM accordingly.

### **Agenda item 13**

Dr Cordt explained that agenda item 13 was proposed 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.

He explained that, in summary, in line with the UK Investment Association's Share Capital Management Guidelines issued in February 2023, the first authorisation in agenda item 13 would allow for issuances of shares or granting of rights to acquire shares up to one third of the Company's issued capital, exclusive of treasury shares, in connection with a pre-emptive offer or on a non-pre-emptive basis. The second authorisation in agenda item 13 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, exclusive of treasury shares, but only on a pre-emptive basis in connection with a pre-emptive offer. It was noted that this was also in line with above mentioned the Investment Association's Share Capital Management Guidelines. The proposal was submitted to the AGM accordingly.

### **Agenda item 14**

Dr Cordt explained that agenda item 14 was proposed 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. It was noted that the first authorisation in agenda item 14 disapplied pre-emption rights for issues of ordinary shares or other equity securities issued on a pre-emptive basis where the Board may deem appropriate to deal with certain legal, regulatory, or practical difficulties. In addition, it was noted that there may be circumstances when the Board consider it in the best interests of the Company to issue a



limited number of ordinary shares on a non-pre-emptive basis. It was noted that the second authorisation in agenda item 14 therefore disapplied pre-emption rights to allow non-pre-emptive issues up to 10% of the issued share capital for general use. It was noted that the third authorisation in agenda item 14 would give the Board the flexibility to make a follow-on offer limited to 20% of any placing under the second authorisation of agenda item 14. This resolution had been drafted in line with the template resolutions published by the Pre-Emption Group in November 2022. The full text of the proposed resolution was noted to be set out in the Notice of the AGM. The proposal was submitted to the AGM accordingly.

#### **Agenda item 15**

Dr Cordt explained that agenda item 15 was proposed to irrevocably authorise the Board to resolve to limit or exclude pre-emptive if shares were issued or rights were granted pursuant to the authority given by Resolution 13, only in connection with an acquisition or specified capital investment, limited to approximately 10% of the issued share capital of the Company. It was noted that the first authorisation in agenda item 15 allowed non-pre-emptive issues, limited to an additional 10% of the issued share capital of the Company, but only in connection with an acquisition or specified capital investment. It was noted that the second authorisation in agenda item 15 would give the Board the flexibility to make a follow-on offer limited to 20% of any allotment of equity securities or sale of treasury shares under the first authorisation in agenda item 15.

Finally, it was noted that together with the third authorisation in agenda item 14, the maximum amount that can be issued in follow-on offers was equivalent to 4% of the total issued ordinary share capital, including treasury shares. It was noted that this resolution had been drafted in line with the template resolutions published by the Pre-Emption Group in November 2022. The full text of the proposed resolution had been set out in the Notice of the AGM. The proposal was submitted to the AGM accordingly.

#### **Agenda item 16**

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 was submitted to the AGM. The full text of the proposed resolution was noted to be as set out in the AGM notice.

#### **Agenda item 17**

Dr Cordt explained that agenda item 17 proposed to cancel any or all shares or depositary receipts of such shares held in treasury by the Company on 24 May 2023, or to be acquired by the Company under the authorisation referred to under Resolution 16, resulting in a reduction of the Company's issued shares. As set out in the resolution, any cancellation made under this authorisation would be made in accordance with the Dutch Civil Code. The full text of the proposed resolution had been set out in the Notice of the AGM.

#### **Conclusion**

Dr Cordt advised that the resolutions had all been recited and before the Chairman closed the voting, the Board would take any questions submitted in the course of the meeting. He noted

that there had been no questions submitted either before or in advance of the meeting.

In due course, the Chairman advised 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:

<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 2022	36,135,258	7,021	120,170	99.98
<b>Resolution 4</b> To declare a final dividend of €1.10 per share for the financial year ended 31 December 2022	36,261,949	500	0	100.00
<b>Resolution 5</b> To release the directors from liability for the exercise of their respective duties during the financial year 2022	36,194,375	7,021	61,053	99.98
<b>Resolution 6. a.</b> To re-elect S. Borgas	35,260,175	1,001,874	400	97.24
<b>Resolution 6. b.</b> To re-elect I. Botha	35,967,999	294,050	400	99.19
<b>Resolution 7. a.</b> To re-elect H. Cordt	31,107,981	5,133,725	20,743	85.83
<b>Resolution 7. b.</b> To re-elect J. Ramsay	35,681,549	580,500	400	98.40
<b>Resolution 7. c.</b> To re-elect J. Ashdown	36,028,965	166,242	67,242	99.54
<b>Resolution 7. d.</b> To re-elect D.A. Schlaff	34,964,196	1,297,853	400	96.42
<b>Resolution 7. e.</b> To re-elect S.O.L.B Prinz zu Sayn-Wittgenstein-Berleburg	34,964,196	1,297,853	400	96.42
<b>Resolution 7. f.</b> To re-elect J.M. Brown	36,215,056	46,993	400	99.87
<b>Resolution 7. g.</b> To re-elect K. Sevelde	35,898,979	363,070	400	99.00
<b>Resolution 7. h.</b> To re-elect M-H. Ametsreiter	36,216,266	45,783	400	99.87
<b>Resolution 7. i.</b> To re-elect W. Ruttendorfer	32,847,071	3,414,978	400	90.58
<b>Resolution 8</b> To re-appoint PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2023	36,194,561	746	67,142	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 2022	35,339,783	881,190	41,476	97.57
<b>Resolution 10</b> To establish the proposed remuneration of the Non-Executive Directors	36,261,485	964	0	100.00

<b>Resolution 11</b> To amend the Articles of Association of the Company	31,827,589	4,434,860	0	87.77
<b>Resolution 12</b> To approve the Rules of the RHI Magnesita Long Term Incentive Plan	35,935,686	326,763	0	99.10
<b>Resolution 13</b> Authority to issue ordinary shares or grant rights to acquire ordinary shares	35,966,064	296,385	0	99.18
<b>Resolution 14</b> Limited disapplication of pre-emption rights	34,865,250	1,394,409	2,790	96.15
<b>Resolution 15</b> Authority to limit or exclude pre-emptive rights	34,702,541	1,557,208	2,700	95.71
<b>Resolution 16</b> Authority to acquire shares in the Company or depositary receipts of such shares	36,187,197	67,588	7,664	99.81
<b>Resolution 17</b> Authority to cancel any or all shares held in treasury or to be acquired	36,261,803	646	0	100.00

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 then handed over to Dr Cordt, who 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 also thanked the representatives from Linklaters LLP for attending the AGM, the Secretary for the arrangements made in regard to the AGM.

The Chairman then declared the AGM closed.

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J Buitelaar, Chairman

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S Caswell, Secretary

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