

MINUTES
of the Annual General Meeting of Shareholders
of AMG Advanced Metallurgical Group NV (the "Company" or "AMG")
held on Thursday May 8th, 2014 at 13.00 hours
Okura Hotel, Amsterdam, The Netherlands

1. Opening

Mr. Pedro Pablo Kuczynski, Chairman of the Supervisory Board opens this meeting of the Annual General Meeting of shareholders of Advanced Metallurgical Group NV (AMG) and extends a warm welcome to all present. He introduces the members of the Management Board; Dr. Heinz Schimmelbusch, Chairman of the Management Board and Chief Executive Officer (CEO), Ms. Amy Ard, Chief Financial Officer (CFO), Mr. Eric Jackson, Chief Operating Officer (COO) and President of AMG Processing, Mr. Ludo Mees, AMG's General Counsel. He also introduces the members of the Supervisory Board; Professor Steve Hanke, and Dr. Ute Wolff, Mr. Guy de Selliers, Mr. Norbert Quinkert, Mr. Jack Messman, Dr. Martin Hoyos and Mr. Herb Depp.

Also attending the meeting is Mrs. Donatella Ceccarelli, whom the Supervisory Board proposes to the meeting for appointment as a member of the Supervisory Board.

Mr. Mees will act as Secretary of the meeting.

The Chairman welcomes to the meeting AMG's Legal Advisors, Mr. Martin van Olffen, Mr. Harm-Jan de Kluiver and Mrs. Deline Kruitbosch, of the law firm De Brauw, Blackstone Westbroek as well as Mr. Warmolt Prins, the external accountant from the firm Ernst & Young. Mr. Prins can be questioned on his Auditors Report and his audit activities regarding the 2013 Financial Statement.

The Chairman welcomes Mrs. Sandra Lambert of TMF Netherlands to the meeting. Mrs. Lambert will vote on behalf of shareholders who have indicated that they wish to be represented at this meeting and have not appointed their own representatives.

Following each vote, Mrs. Lambert will inform the meeting whether or not a specific voting item has been adopted. The Chairman informs the shareholders that the proceedings of this meeting will be recorded, for internal purposes only and use, to facilitate the preparation of the minutes. The official language of the meeting is English.

The Chairman will inform the meeting of the number of shares represented at this meeting once Mrs. Lambert has compiled the information.

In connection with the orderly conduct of the meeting, the Chairman informs the shareholders that for each specific agenda item, only questions related to that agenda item may be asked. The Chairman asks shareholders to use the microphone when asking a question and to state their name as well as the person that they represent.

Voting procedure

Mrs. Lambert explains the voting procedure. The Company has considered the use of an electronic voting system for today's meeting; but because not that many shareholders and proxy holders are attending this meeting, the Company has decided not to use such a costly system but instead proposes that voting will take place by acclamation. Before each vote the text of the proposal that is put to a vote will be shown on the screen behind the Management and Supervisory Board members. She kindly requests all present to raise their hand if they would like to vote against a proposal that is shown on the screen or if they would like to abstain from voting. They should state their name and the name of the shareholder on behalf of which they vote against the proposal or abstain from voting, as well as the number of shares for which they vote against the proposal or abstain from voting. If shareholders do not raise their hands, this means they vote in favour of the proposal that is put to a vote.

The Chairman thanks Mrs. Lambert and proceeds to agenda items number 2a and 2b, which are the Report of the Management Board for the financial year 2013, including discussion of the Annual Report and 2b, the Report of the Remuneration Committee of the Supervisory Board for the 2013 financial year.

2.a. Report of the Management Board for the 2013 financial year including discussion of the Annual Report 2013

The Chairman invites Dr. Schimmelbusch to present the report of the Management Board.

On behalf of the Management Board Dr. Schimmelbusch welcomes those present at the Annual General Meeting of Shareholders. The presentation on the screen, which also contains the obligatory disclaimer, will also be on the AMG's website for shareholders to review.

Dr. Schimmelbusch starts his presentation – supported by charts which are projected for all present – by pointing to AMG's Mission Statement and AMG's position on values. AMG takes this statement very seriously and it is a highly meaningful guide in decision making. Then Dr. Schimmelbusch will comment on safety, an area in which AMG can point to significant achievements. In regards to financial performance, 2013 was a year of near record operating cash flow and a substantial reduction of net debt despite an unprecedented fall of all prices in the markets in which AMG operates. Then Dr. Schimmelbusch will comment on the status of certain strategic initiatives, and this leads to a discussion of AMG's thinking on the structure of the Company's portfolio. This will be followed by a forward looking statement on the year 2014.

AMG's Mission Statement can be decomposed into four elements: 'Sustainability', 'Know-how in critical materials', 'Market leadership in AMG's segments' and 'Creating long-term shareholder value'.

In regard to sustainability, AMG has pioneered the concept to measure the 'greenness' of entrepreneurial activity by the CO₂ balance sheet of that activity. A paper titled 'What is a Green Company?' which was recently posted on AMG's website and was written by an AMG team, is recommended for reading. The basic idea is to not only reduce CO₂ emissions associated with production in AMG's plants but also, more importantly, to measure the CO₂ reducing impact of the products which the Company sells.

The focus on critical materials has not changed and the criticality of some materials has become more visible, notably that of natural graphite. Later Dr. Schimmelbusch will comment on market leadership using recent acquisitions to demonstrate the process of value creation.

Lastly, Dr. Schimmelbusch states that the Company is committed to long-term increase in AMG's market valuation. The aim is to build a valuable Company. The best proof of that commitment is that AMG created the Company from scratch, from 1 employee to now 3,500 employees in over 30 plants in 15 countries, with a sales volume exceeding 1 billion USD.

The Company has just concluded an operations and safety conference in Amsterdam, attended by over 60 associates representing all AMG's operations.

The world of critical materials has evolved, with natural graphite recently receiving a lot of attention given the potential demand resulting from the electric vehicle batteries. It can be observed that certain metals might be affected by the crisis in the Ukraine if not resolved promptly. This includes nickel, vanadium, chrome metal and molybdenum. One way to illustrate the Company's process know-how is to show the regional allocation of the more than 1,500 plants which have been built by AMG's Engineering Unit worldwide. Plants which were built for AMG's clients are producing high performance steel, tantalum metal, niobium metal, high purity vanadium, rare earth magnets, titanium alloys, high purity silicon and much more. Other furnace systems are being used for heat treatment of automotive engine parts and coatings for aerospace turbine blades. This installed base of plants represents vacuum furnace technology, a key to industrial development.

The Company has made significant progress in its efforts to increase employee safety. The Lost Time Incident Rate has improved each of the last four years and has now fallen two times in a row for the first time. Several locations had zero accidents. AMG is driving the OHSAS 18001 implementation. AMG's reporting systems are more comprehensive and the Company spends ever more time and

effort on training. The graph shows the long journey of improvement since AMG installed the Companywide reporting system. The Company is far from perfect, and AMG continues to believe, as demonstrated by the best performers, that a zero accident environment is possible.

The year 2013 was a bad year for specialty metals. All prices fell. In the chart, metal prices are ranked by the steepness of that decline. Only in tantalum and silicon metal was AMG able to partially shield itself through long-term sales contracts. Those contracts are difficult to negotiate and are rare, as one needs someone taking the other side of the price risk. Looking at the chart for the various metals, it can be seen that the downturn mostly occurred in the mid-year of 2013. This slide shows what happened to vanadium, molybdenum and nickel. By operating a unique recycling process of the metals produced in Ohio, AMG has managed to reduce the risk associated with such price erosion by using a fee structure which secures the stability of certain portions of the Company's revenues. It should, however, be noted that from 2000-2013 all of these prices show a positive long-term trend by linear regression.

On the next slide the metals with a strong aerospace connection are shown. AMG's presence in the aluminium industry is in aluminium alloys, which have reduced price risks. In chrome metal and titanium alloys, the raw material and the alloy price levels can diverge, which requires intensive risk management. Again, it should be noted that these metals show a long-term upward trend with chrome metal being the steepest. The tantalum which AMG produces in Brazil were hit from various sides. Tantalum was impacted by reduced demand in capacitors, niobium from weakness in high performance steel. Tantalum and niobium also show long-term price appreciation. In 2013 silicon metal was relatively stable and showed the lowest price reduction, only 2%. Natural graphite dropped later in the year than the other materials and the statistics here are rather intransparent. Long-term, there is a clear trend to higher prices as the supply of this metal is restricted.

In summary, AMG has experienced unprecedented declines in prices across the board in essentially all of its materials. The Company has responded to this challenge through a focus on operational improvements. Given this headwind the Management Board is proud to have led the Company to a near record operating cash flow, enabling a significant reduction of net debt. This also implied a reduction of CAPEX as the Management Board felt that this is not the time for expansionary moves and as a priority for risk reduction. The success is the result of a large number of small initiatives throughout the Company, stabilizing margins, negotiating payment conditions, reducing SG&A. The Management Board has also made the difficult decision to adjust the size of AMG's operations to meet the demand in the market. The Company has implemented these cost saving measures in Engineering, Superalloys, Titanium Alloys and Coatings, and AMG continues to do so.

One area of focus has been the improvement of working capital, not only the absolute demand of working capital, but also of the Company's days in working capital. Since 2009 the Company has reduced its days sales in working capital by over 40% to 43 days at year end 2013. The Company believes that this constitutes industry leadership. This was a concerted effort as AMG looked to use its capital more efficiently to generate cash flow. It is interesting that this cash flow performance has given the Company the number one spot in the peer group the Company uses to compare its relative performance vis-à-vis its closest competitors and comparable industries.

The Management Board is far from being satisfied with the Company's share price performance. At the beginning of 2007 AMG was largely viewed as a solar stock, given AMG's presence along the value chain of the solar industry. Like other high flying solar stocks, the Company had to pay a price when the upstream part of the value chain of the solar industry relocated to China. Big solar brand names simply vanished. AMG's portfolio strategy has mitigated that impact of the Company's exit from the solar industry and AMG has, step by step, rebuilt its revenue and earnings base outside of the solar industry, with particular emphasis on the transportation and aerospace sectors. This was a big challenge, as everyone will understand.

In the last five years AMG share prices show a moderate gain in value when measured against the Morgan Stanley CI Metals Mining Index that AMG is a part of. The Company wants to build on that. In the Annual General Meeting of 2012 several green investment projects have been described, including the recycling business in Ohio.

AMG produces titanium alloys are used for weight reduction in aerospace, turbine blade coatings enable higher operating temperatures in aerospace and heat treatment for automotive engine parts to

produce better miles per gallon performance. That investment strategy has intensified and continues to do so. AMG is a major factor in enabling its customers to reduce CO₂. Each of the three divisions contains these green projects with Processing and Engineering in transportation, and Mining in building materials. The Company's more than 100 year old natural graphite business supplies a specialty formulated graphite product to the graphite enhanced insulation enabling roughly 6 kg of CO₂ savings per home per year. Given AMG's production volume this adds up to over 900,000 tonnes of enabled CO₂ reduction per year. This is now a fast growing market segment. This also implies a special cumulative impact as the homes equipped with such insulation save CO₂ during their lifetime, year by year while again, year by year AMG produces new homes.

AMG supplies grain refiners for aluminium alloys in vehicle parts replacing steel to increase fuel-efficiency. Applied to the 2015 Ford F150 pick-up, in which AMG's alloys are used, this implies more than 600,000 tonnes of CO₂ savings per year, excluding the cumulative impact referred to earlier. Most importantly, the Company has just signed a multiyear contract for the delivery of gamma titanium aluminide materials for low-pressure turbine blades used in the next generation aerospace engines. This will help enable an estimated CO₂ saving of 15%. This contract is the most important alloy delivery contract the Company has signed in aerospace to date.

The chart shows why AMG is increasingly excited about the Company's role in the area of CO₂ reduction. If calculated from the year 2010, the chart shows the estimated cumulative impact of AMG's products and services in global CO₂ emissions. This reduction has reached tens of millions of tonnes. These green products are most effective in increasing operating temperatures in engines, weight reduction in transportation and energy saving in buildings. As is shown, the AMG metallurgical technologies are an essential and material and contributor to global CO₂ reduction. It is frequently said that AMG is a complex Company. From inside the organization this is seen differently. The Company understands that its materials and related markets are rather special. As announced in the Company's presentation of December 2013 and in the press release of the Fiscal Year 2013 earnings, AMG is conducting a strategic evaluation of its current business portfolio. This is a continuous process, but after five years of our post solar life a special effort is appropriate. The chart lists all of AMG's operations, based upon underlying metal or technology. In simplified terms the Company is reviewing where AMG should expand its investments and where the Company potentially should consider divestments.

Before coming to conclusions, Dr. Schimmelbusch states that the shareholders should look at AMG's strategic chart from two points of view. The first is AMG's primary market: aerospace. The Company expects this market to have favourable long-term growth dynamics. The cluster of AMG's aerospace products is in the upper-left quadrant and in many engineering furnace systems. In an analysis of those products that currently provide strong and stable cash flows, the picture is quite different. Here the cluster can be seen in the lower-left corner. This cash flow is very important for funding the Company's long-term growth in the aerospace market and is especially favoured by AMG's banking consortium.

Dr. Schimmelbusch states that the Company has always said that industry consolidation opportunities are frequently the best way and are a low risk option to create value. That also has to be considered. The example that shows the benefit of critical mass in AMG's products and the operational and financial impact is the recently completed aluminium master alloy acquisition and integration. The Company achieved a 3-year payback on this investment and, all other things being equal, an implied value exceeding 1 EUR per share.

Dr. Schimmelbusch summarizes that to date, the Company has concluded that to protect the synergy between engineering and metal production, a 100% ownership of Engineering is not necessary. The Company is in the process of pursuing strategic options along those lines.

Secondly, the Company is negotiating further industry consolidation opportunities, both horizontal and vertical. As the Company focuses on current market conditions, the chart indicates that metal markets are beginning to reverse some of the substantial declines experienced in 2013. YTD 2014 ferrovanadium, nickel and molybdenum prices have increased, with the largest gainer being nickel. What the Company considers to be aerospace materials such as chrome, metal, and titanium alloys have discontinued the downward trend, but have not posted any increases yet. The volatility in nickel and molybdenum is significant. As can be seen, they are relatively highly correlated. The ferrovanadium prices have been less volatile, and Dr. Schimmelbusch states that he expects this to strengthen. The aerospace metals are still impacted by the global destocking which the Company expects to continue for the balance of the year. The declines in the prices have moderated, but the

Company has not seen any significant upward improvement. The current prices for tantalum and niobium remain well below the historical mean of 2013. These markets are also impacted by the value chain destocking in aerospace and substantial inventories currently in electronic markets. The materials antimony, graphite and silicon have experienced mixed pricing in 2014. The Company has seen increases in silicon metal, while antimony and graphite prices have been relatively stable.

In conclusion, Dr. Schimmelbusch states that AMG should again produce a significant operating cash flow in 2014. EBITDA should improve over 2013 levels through a combination of the focus on operational improvements and a discontinuing downtrend in metal prices. AMG order intake is expected to be in the same magnitude in Q2 as experienced in Q1. This should lead to rebuilding of earnings in this segment in the second half of 2014.

Dr. Schimmelbusch thanks his audience and concludes his report of the Management Board.

The Chairman thanks Dr. Schimmelbusch and invites the Chief Financial Officer, Ms. Amy Ard to inform the shareholders.

Ms. Ard thanks the Chairman and states that her presentation will touch on the consolidated results for the year, the financial highlights and an operational update. Then two specific financial topics will be covered that were important to 2013, followed by the capital base which was a very strong story for AMG in 2013. Finally she will very briefly walk through the Q1 2014 financial highlights, which were just announced this morning.

Ms. Ard states that overall, 2013 was a difficult year for AMG in terms of overall profitability. The Company recorded significant asset impairment and restructuring charges during the year which will be discussed a little later. However AMG's recurring business was also impacted by the economic climate in Europe and China, as well as the aerospace destocking that was mentioned by Dr. Schimmelbusch. A slide shows some of the major line items by business segment and the positive impact of AMG's balanced portfolio. The declining metal price environment which Dr. Schimmelbusch discussed in great detail had a significant impact on AMG's processing business. AMG Processing's gross margin was 11% during the year and EBITDA was 21 million USD. However, balancing that was AMG Mining's business which had a great year vis-à-vis 2012, with a gross margin of 16% and strong EBITDA.

Engineering was a consistent player versus 2012 with a positive EBITDA of 20 million USD and a high gross margin. Ms. Ard also points out the CAPEX levels. In 2013 the Company lowered its CAPEX levels, but the most significant segment that received the CAPEX was AMG's Processing business, which is one of the Company's core businesses. The majority of the AMG Processing's CAPEX was related to the Company's roaster in vanadium which is now producing returns.

Ms. Ard moves on to the operational update and states that of the four main objectives that were discussed Company wide in 2013, on three of these the objectives were achieved. Firstly, the Company wanted to reduce its SG&A with a target of a 5% reduction. However, SG&A was reduced by 3%, and the target was not quite reached. Additional programmes are in place in 2014 in order to continue to reduce SG&A.

The Company wanted to increase its operating cash flow. In a year in which profitability is challenged, it is very important to increase operating cash flow. This was done by improving working capital both in terms of value and days. Working capital days were reduced by 20 days. By increasing operating cash flow and reducing capital expenditures the Company was able to reduce net debt by 33 million USD and gross debt by 52 million USD by using the cash on balance sheet.

The one area where the Company did not achieve its objective was to improve gross margin. However, as Dr. Schimmelbusch discussed, that would have been very difficult in the declining metal price environment.

Next, Ms. Ard discusses asset impairment and restructuring. In the metals and mining market in 2013 asset impairments were very common and AMG was not alone in this. Within AMG Engineering, assets were written down affecting solar inventory and the Intellifast operation. The Engineering business benefitted from the solar market over several years. In the solar boom, Engineering was building component parts for furnaces in order to keep up with the demand. However, the market

collapsed and the Company was left with furnace inventory that the Company had to write down in value. Intellifast was evaluated for impairment in accordance with IFRS guidelines. Since it did not receive an expected order, there was an indicator for impairment and the write down was the result of normal asset impairment calculations.

Within the mining segment, AMG made the conscious decision in 2013 that in a difficult metal price environment, significant investments in developmental mines were at odds with the Company's stated desire to reduce net debt. That decision created the need to write down the Company's investments in Turkey by 22 million USD. Not only were metal prices declining, but it was becoming more apparent that the costs to develop that mine were higher than the Company originally expected. The AMG Mining write down was also impacted by the Company's decision not to invest in developmental mines. The resulting impairment calculation showed the need to write down the assets by 13 million USD.

Ms. Ard continues to briefly address restructuring charges. The Company recorded 14 million USD during the year. Those restructuring charges were in the businesses that were most impacted during the year. Within the Engineering solar operation the Company had to take some headcount reductions as AMG was writing down the furnace inventory. The Company also recorded some headcount reductions in the Titanium Alloys and Coatings business, and the Superalloys businesses. Those businesses were the most impacted by the aerospace decline.

The next financial topic which Ms. Ard discusses is financing. This falls in line with the asset impairment chart. It may be recalled that in Q2 2013 the Company had to record these asset impairment charges which impacted the Company's tangible net worth ratio. The Company was then in violation of a debt covenant for which the Company received an amendment in Q3 of 2013. However this amendment was a one year amendment and as the Company noted in the Annual Report, and as the auditors noted in their Auditors Opinion, there was a risk in 2014 that the Company would be out of compliance again. Ms. Ard is happy to report that the Company is currently in the process of receiving a bank amendment. The Company has agreed with its agent and the Company is talking to its syndicate banks to receive approval for this. The Company expects this to be done by the end of Q2.

Ms. Ard moves on and discusses the capital base. The capital base is a very strong story for AMG in 2013. The significant cash flows have improved since 2010 were a primary generator, and this was how the Company was able to pay down 33 million USD of net debt. In line with the Company's stated goals paying down over 52 million USD in gross debt with the objective of reducing interest expenses, the Company moved forward. Total liquidity was nearly 175 million USD at the end of the year.

Ms. Ard briefly overviews the end markets and points out that the aerospace market is still the largest contributor of both revenue and gross profit. It is a bigger piece of the Company's gross profit because of the criticality of the materials that AMG produces and the ability of the Company to leverage this. Aerospace was down as percentage of total revenue versus 2012, but this relates to the destocking within the aerospace supply chain.

Ms. Ard moves to the segmental review and states that AMG Processing was the business that was most impacted by the metal price declines. Gross margin went down from 14% to 11%. However, this was the area where the Company took a large amount of restructuring charges so that the Company could right-size the business. This will improve in 2014. CAPEX was 17 million USD, the largest part of this was the roaster which was completed in 2012. The Company finished paying for it in 2013 and the results of this are visible.

AMG Engineering revenue and gross margin were near stable. The order intake for the Engineering business was down in 2013, the impact of this is visible in Q1 and Q2 of 2014.

AMG Mining was the balancing act to the AMG Processing business. AMG Mining benefits from the fact that it has increased the value added products within its portfolio, which enables it to increase its gross margin. The Mining business also benefits from some long-term fixed price contracts. EBITDA for this business went up to 33 million USD in the year. The largest portion of the lower CAPEX amount in 2012 was for maintenance and some select expansion projects.

Ms. Ard highlights the Q1 2014 financials. These were announced this morning. The biggest take-away is that there are some positives and some negatives in Q1. Revenues were down, but the gross

margin percentage was up. EBITDA was slightly lower than last year, but earnings per share were up. Ms. Ard states that via-à-vis the Company's sequential EBITDA, Q4 2013, which was indeed a low quarter for the Company, the Q1 2014 EBITDA is actually up 91% and EPS is up 0.26 USD. The Company has come from a low point in Q4 2013 and had a very successful Q1 2014. Cash flow from operations was strong. The first quarter is generally a quarter where working capital can increase, but the Company was still able to generate 5 million USD in operating cash flow in Q1 2014.

Ms. Ard moves to a summary of the highlights by unit.

AMG Processing had a strong comeback in Q1, AMG Mining continues to be strong, AMG Engineering had a weaker Q1 due to the lower order intake in the second half of 2013. The Company expects that this may continue in the second quarter as well.

The Company's net debt position remains stable, but the Company paid down an additional 5 million USD in gross debt in this quarter. Total liquidity is nearly the same as at year end at 73 million USD.

Ms. Ard. concludes her remarks on the financials and points out that the Company's relationship with its auditors, Ernst & Young is very constructive. The Company has worked well with them over the years.

Ms. Ard invites Mr. Prins to comment on the audit.

Mr. Prins thanks Ms. Ard for his introduction. As is known, these days auditors are invited to explain the audit. Mr. Prins states that he listened to some of the questions he received from the shareholders in the previous few weeks and that he will comment on these. Mr. Prins states that he confirms to the shareholders that what he just heard from Ms. Ard and from the summary she has given on the slides is a fair reflection of what he has seen in the Company. It is a fair reflection of the discussions and is also in line with his audit observations. Mr. Prins states that it is clear that he is the auditor and is responsible to express an opinion. If the shareholders have any questions on the contents of the Annual Report, Mr. Prins will refer these to Ms. Ard and any questions regarding the audit can be addressed to him.

Mr. Prins states that with respect to the audit, the focus was on the more significant risks. Ms. Ard indicates the areas of significant risks in 2013. Firstly, this is about subjective and judgemental issues such as impairments and the financial debt covenants. These have been tackled by the auditor with satisfactory results. Obviously sales, the purchases, the so-called routine processes are tested the way this has always been done. From this perspective Mr. Prins thinks that there are no significant issues to mention to the shareholders. The auditor always makes an audit plan which is discussed with Mr. Hoyos and his team and the Audit Committee. Mr. Prins assures the shareholders that there is always a kind of surprise element. This should not completely be spelt out because then the predictability is gone. In executing the audit, in the last couple of weeks quite a few people have inevitably asked Mr. Prins which materiality is used. Mr. Prins explains in summary how this is tackled. Obviously there are the parameters such as 0.5% of revenue, 0.5% of assets. But to make it more specific for AMG, Mr. Prins explains that if for instance one takes 1% or 2% of equity this results in a boundary of between 1.5 million USD and 3 million USD. When Mr. Prins and his team are testing the impairment charges, it is obvious that a couple of 100,000 USD more or less is not the issue, because this is subjective. And if the WACC is just 0.1% higher or lower this has an impact on of 200,000 USD to 300,000 USD. However, if there is a difference of 100,000 USD in cash or 50,000 USD in compensation of management, this is of course important. Because then Mr. Prins states that he accepts it, but he does not accept 1 million USD or 2 million USD materiality. Mr. Prins states that there are quantitative as well as qualitative elements which are taken into account.

Some shareholders have asked how the subsidiaries are managed. From a size and risk perspective the auditors make customized instructions. These are sent out to the subsidiaries and these are visited and the audit findings are discussed with management and the local E&Y branch. The reports will be summarized and discussed in the Audit Committee. And this is the way the auditor works.

With respect to communication, Mr. Prins states that informal communication is critical to finding out the trends, the issues and if the auditor and the Company are on the right track from an audit perspective. Of course there are the formal discussions on a half yearly basis, early warnings are discussed with management and the Chairman and the members of the Audit Committee.

Mr. Prins concludes by stating that Ernst & Young has received full co-operation from the Company, the auditor has done what he should have done. Based on this the auditor comes to the conclusion that an unqualified opinion will be provided

The Chairman thanks Dr. Schimmelbusch, Ms. Ard and Mr. Prins for their presentations. Before continuing he mentions that, according to the attendance list, 9,826,230 shares are represented at this meeting, which is 35.61% of the Company's issued share capital.

The Chairman asks Mr. Mees to collect any questions posed by the shareholders which will be answered after the conclusion of agenda item 2.b.

Mr. Ritskes from VEB asks if the setback in the aerospace business opens the possibility that the Company loses clients or that the setback is caused by the backlog, because Boeing is doing very well. He requests that his questions are answered one by one. The Chairman answers that the procedure is to answer any questions after agenda item 2.b.

Mr. Ritskes refers to an article about the graphite business in China and asks if there could be a price squeeze at the high end because China is closing down facilities.

Mrs. Mireille Reijne, representing the Association for Sustainable Development (VBDO, an association for investors), asks a number of questions.

Regarding the publication of the paper titled 'The Green Company' Mrs. Reijne states that she is very pleased with the statements on achievements in CO₂ reduction. But in the paper it is mentioned that the financial attractiveness of AMG is very closely related to the mitigating technologies and the technologies enabling CO₂ reduction. She asks if there are any plans to integrate these results more in next year's Annual Report, because VBDO would like to see that there are really tangible goals set and publicized. Also, because AMG states that the financial attractiveness is also important and related to the CO₂ reductions and to their green achievements.

Furthermore Mrs. Reijne has a question on sustainable remuneration. VBDO would like to know if there is a linkage between the EHS criteria and the variable remuneration in AMG and if yes, she would like to help the Company if necessary with setting KPI's for sustainable remuneration. If no, VBDO would like to inform AMG that companies that do have this sustainable remuneration, have more progress both in financial success and in achieving sustainable goals.

Another question is about human rights. VBDO would like to know if a living wage is guaranteed for employees especially in countries like China, Brazil, Poland, Russia, India and Mexico. Another question is about conflict free minerals. VBDO is very happy to see that AMG has tantalum and niobium production in Brazil that is certified. As there is a rising demand for conflict free metals and minerals the VBDO would like to know if AMG plans to certify more conflict free metals and minerals in the near future.

Finally, VBDO would like to know if AMG is familiar with the concept of 'True Price'. It is a way to value the social and environmental impact of products. If AMG uses this concept, VBDO would like to know more, and if not, if AMG intends to make use of true pricing methods.

Mrs. Reijne states that she would be grateful if these questions could be answered today and if any further questions put on paper prior to this meeting, could be answered by filling in the answers later on.

The Chairman states that he counted five questions from Mrs. Reijne, which will be answered, and that if there are any more questions later on it will be undertaken to answer these too.

Mr. Ritskes states that the competitors in the mining industry have also suffered and lost a lot as a result of the price movements. He asks what shape they are in now and if AMG can profit from this in 2014 and further on.

Mr. Ritskes states that the mining investments in the last year were only 7.8 million USD. He states that this is very peculiar for AMG to keep these investments on the high side because he thinks that it is very good business for AMG.

On the heat treatment furnace Mr. Ritskes states that he seems to remember that last year he saw a slide mentioning 600 or 550 in total in China, and now the Company shows 650 in total in the chart. Mr. Ritskes asks if this means that almost nothing has come in in 2014. The Chairman answers that this is the same chart.

Mr. Ritskes states that in 2013 AMG downscaled the activities with a turnover loss. He asks if it is costly to upscale the activities if the situation alters to the positive. He asks what the break-even level is if the situation improves.

Mr. Ritskes has a question for the auditor. In Annual Report there is a big statement on the risks and a Risk Committee has been established. This was very useful to read, but Mr. Ritskes states that he never saw that the auditor has spoken with the Risk Committee. The Risk Committee has spoken with the Board of Directors, with the Supervisory Board, but Mr. Ritskes asks if the auditor has spoken with the Chairman with respect to the risk statements. Mr. Ritskes states that he has the answer already. The Chairman states that Dr. Schimmelbusch is eager to answer this question.

Mr. Verhagen represents VEB. He states that he has a question about page 6 of the Annual Report. He would like a clearer explanation of the current metal price development. On page 7, the colours of the metal price development are not very clear, especially when the report is duplicated. There is too much blue there. The Chairman agrees that there is mostly blue, but the figures go down, this is the point the Company wants to make. The Chairman states that Ms. Ard will answer these questions.

Mr. Verhagen points to page 7 and states that Dr. Schimmelbusch, on improving operational performance, mentions an unexpected drop. He asks for an explanation.

In regards to page 27, Mining, Mr. Verhagen states that there is mining in North America, Europe and Asia. He thinks there was mining in Africa as well, which he does not see here. Mr. Verhagen states that when he counts mining in Europe there is 250 million USD, this is 80% graphite. He asks if this is true.

Mr. Verhagen enquires if there is something to tell about the development of graphene.

Mr. Ritskes points to page 135 of the Annual Report, long-term debt, and reminds the Chairman that last year he asked for the numbers of this year. He mentions that the Chairman has said that this year's numbers are not less EBITDA to net financing and asks if this is roughly 1 now, 21 to 21. He asks what the number is now.

Mrs. Reijne has a further question on the Company's vision on the circular economy and how the Company will seek to employ. VBDO wonders if the Company has a vision on the circular economy, the vision where everybody tries to change the linear model from 'take-make-dispose' to recycle and reduce waste to the zero level. VBDO would like to know how the Company seeks to employ this concept in its daily operations. Another question is how many sites are certified with ISO 5001 and ISO 14001. One more question is related to tax. VBDO would like to know if the Company can be more transparent how much tax is paid in each country.

The Chairman concludes that there are no more questions on this agenda item and he passes the floor to Mr. Jack Messman who will talk about remuneration. When this is done, he will answer the questions raised and any others questions that might arise.

2.b. Report of the Remuneration Committee of the Supervisory Board for the 2013 financial year

Mr. Messman states that when he found out that he was item 2.b. on the agenda, he wondered whether he would have time to come up with something that William Shakespeare would have said about 'to be or not to be 2.b or not 2.b'.

Mr. Messman thanks the Chairman for the opportunity to describe the AMG executive remuneration strategy for the 2014 Annual Shareholders Meeting. The executive remuneration strategy is designed to help secure the human capital that will achieve AMG's short-term, medium-term and long-term objectives through attraction, retention and motivation of the executive team, also to reward superior performance, to engender an innovative fast pace entrepreneurial environment and to provide a clear linkage between executive pay and shareholder interests, and to support the business model, and in particular, a collaborative culture. As is known, AMG resulted from the merger of about eight different companies, each with a different compensation system. So, a few years ago the Company hired a compensation advisor to help AMG develop one consolidated plan. Hay Group has been retained by the AMG Supervisory Board to review and design the remuneration programme and structure. Hay Group is one of the leading compensation advisory firms in the world.

Hay Group has reflected on AMG's three major business pillars and has selected a group of peer organizations from metals, technologies and mining industries segments. The selection criteria reflect comparability to AMG's business segments, general comparability to AMG in revenue size, established companies in mature markets with comparable remuneration practices, and similar end-users and customers. The peer group is shown on the chart and each one of these peer companies has tangible and material overlap with the businesses of AMG. Among the peer organizations, 13 are US based, 2 are Canadian based and 5 are European based. Hay Group believes this mix of peer organizations is a fair approach for setting compensation targets in light of AMG's geographical presence in terms of both talent and business focus. Management Board member's current remuneration consists of the following components: base salary, short-term incentives (STI, also called 'annual bonus'), long-term incentives (LTI, also called 'stock options, and performance share units - PSU's'). This is a very modern approach to executive compensation and is followed by many corporations around the world.

Mr. Messman presents the results of the market analysis completed by the Hay Group in February and shows AMG's competitive standing. Mr. Messman draws attention to the top of the slides, and explains the captions above the columns. Actual base salary is clear, total cash = salary + bonus, total direct = salary + annual bonus + long-term incentives. STI stands for short-term incentives as explained and LTI for long-term incentives. The 'p's stand for percentile which represents AMG's ranking versus its peers.

AMG's targets of remuneration between the 50th and the 70th percentile of the compensation peer group. As can be seen from the chart, AMG is highly competitive on base salary, for STI AMG is below the 50th percentile for target STI by approximately 5% to 20% of salary. AMG's target LTI (PSU's and stock options) fall between the 25th and the 40th percentile group. Referred to the 'Total Direct' column on the chart, AMG is currently positioned between the 40th and the 60th percentile in total target direct compensation (salary + bonus + long-term incentives). In the near future the Company wishes to get closer to the 60th percentile. The Company believes that the mix of compensation is currently out of balance.

Mr. Messman continues to explain how the short-term incentive plan works. 40% is based on return on capital employed, 40% on operating cash flow, 20% on personal measures and objectives. The objective of the bonus programme is to create a more effective management of expenses and net debt for the year, to instil discipline on capital investments, to ensure efficient use of capital and to optimize the return by optimizing EBIT potential. The Supervisory Board sets the budget each year which contains the performance targets for the Management Board.

Hay has determined that AMG's annual bonuses are slightly below market as shown on the chart related to the 50th percentile of the peer group. The Company's current position is to maintain the current bonus opportunities related to targets and maximum pay-outs and not move the target bonuses to the 50th percentile just yet. It should be borne in mind that long-term incentives (stock options + performance share units) represent the opportunity, an important item, to realize rewards per performance. This is an important concept, these are not outright cash or stock awards. They must be earned to be realized.

LTI awards are based upon the peer group that the Company has put in place. LTI awards are split 80% between performance share units and those units can be settled in cash which means that there is no share dilution to shareholders. 20% is stock options. Testing on both of those only starts after the Company achieves a 3 year average return on capital employed. After AMG has passed the gate of its

ROCE then the stock options vest 50% in year 3 and 50% in year 4. If you do not get through the ROCE gate, there is no vesting and those awards are lost by the management team. The PSU's, after the ROCE gate is passed, are measured by the 3-year total shareholder return (TSR) measured versus the Bloomberg World Metals Index. For example, if one gets through the ROCE and AMG only has a 25% position relative to the peer group, then the executives would only vest in 25% of the award that was made to them and they would lose the 75% of the award. This is what happened in 2012.

Mr. Messman continues to review some of the numbers that are important to the shareholders. The chart shows the actual compensation over 2012 and 2013. In salary, there have been no increases since 2008. In 2012 there were no bonuses and in 2013 the executives earned a bonus because they did a great job in operational cash flow, but they did not achieve the return on capital employed. Overall they did earn a bonus, but the Compensation Committee agreed with the Management Team that there should be a 25% discount on the bonuses. On the return on capital employed in 2012, the executives passed ROCE gate, but the total shareholder return was at 25% relative to the peer group. So 25% was vested of the performance shares and the Management Team lost 75% of the opportunity. In 2013 the ROCE gate was not passed and the pay-out on stock options and PSU's was zero. In the last two years performance has not been there and management has not realized on the opportunity that was provided to them by giving them an award as is done every year. Nevertheless the IFRS accounting rules require that the compensation numbers be shown and expensed at the full value, not the realized value. This concept of realized value versus opportunity is becoming very important in the US market and many companies are now reporting not only the opportunity that was given to the management team, but also how they performed against that and how much they realized. So this has become a new reporting technique.

Mr. Messman concludes his presentation of compensation with some observations. The Company needs to re-balance its components of compensation. The Company expects salary increases to be flat or moderate. As pointed out, base salaries have not increased since 2008. The Company needs to put more emphasis on long-term incentives which require performance being met before vesting can occur. Bonuses reflect annual performance agreed by the Supervisory Board. There were no bonuses paid in 2012 due to disappointing results and bonus targets for 2013 were reduced to reflect market conditions.

The Company believes that the use of a remuneration portfolio which is salary, bonus and long-term incentives continues to be appropriate for the Management Team and the Hay Group believes that significant modifications to the programme are not necessary.

The Chairman thanks Mr. Messman for his presentation and moves on to answer the questions asked earlier on in the meeting. If there are follow-on questions these will be tackled after the first set has been answered.

Addressing the question by VEB on the aerospace setback, Dr. Schimmelbusch states that the aerospace industry is an industry with a very well structured visibility in principle. This is based on the unusual fact that AMG has order backlogs from the two principal producers, Boeing and Airbus, which are looking very far into the future. That is the most important aspect and the Company, of course is directing a lot of resources in increasing AMG's presence in the aerospace industry. This has to do with the fact that it is a very secure industry in regards to predictability. However, these long-term trends supported by backlog of the assemblers of airplanes can be easily interrupted by shocks. These shocks relate mostly to delays in the build rates of those planes. It is well known, for example, that the interruption of the production of the Dreamliner by Boeing caused enormous insecurity or uncertainty in the industry because the plan is to produce 10+ planes per month and in the beginning it was 1 per month. It was very difficult to predict and there were setbacks over the years. The supplier has the problem that he has prepared his supply lines and suddenly these are interrupted. So far the Airbus A350 was not equally delayed, but the military A400 for example, was a typical example of this. The A380 was delayed many times. So yes, it is a very healthy industry in the long term, mobility is a big trend. AMG wants to be in this trend and has a lot of resources in it. However it can be cyclical and unexpected interruptions occur.

AMG's clients are mostly the big producers of turbine blades, not Boeing and Airbus directly. AMG also has Airbus as a direct client but it has its delays. The big names in jet engines such as GE, Snecma, Pratt & Whitney and Rolls Royce are AMG's clients. Not only for turbine blades but also in

Engineering. In turbine blade coatings AMG is the world's market leader. The graphite business is heavily dominated by China, 80% of graphite comes from China. However this is a misleading statement because graphite quality has an order of magnitude. There is only 1 million tonnes of annual production, 80% of which is China. This 1 million tonnes however consists of a variety of qualities. AMG is in the top quality sector which is estimated, dependent on definitions, at between 150,000 and 200,000 tonnes. This is very much to mining: where does the mining take place and what is the quality of the graphite? It is an interesting fact, most importantly for AMG, that when one has a graphite mine which needs to be opened, enormous knowhow in downstream operations is required. Namely how to upgrade the raw material into a useable form. Many people believe they have a graphite resource and find out that the results cannot be upgraded. AMG is in the highest priced segment. That is the segment for energy saving uses or for end nodes for batteries. In these segments, very special upgrading knowhow and high quality resources are needed. AMG is lucky to have the world's highest grade graphite mine in Sri Lanka, which is probably the highest quality graphite naturally occurring.

This leads to the question if AMG is involved in graphene. AMG is indeed involved in graphene. The Company represents the graphene market in certain segments as a sales agent. AMG delivers graphite raw materials from Sri Lanka to this graphene Company, because it needs this high quality basic materials. Graphene is a very interesting business, but very long-term. If one looks for quarterly results, these will not show up. It is a long-term development. When price catastrophes happen throughout the mining industry, then everybody suffers and the less seriously a Company reacts, the more it suffers. AMG reacted extremely seriously, extremely hard, because the Company felt that this downturn in metal prices might not pass quickly. When reacting, as AMG has done, operating cash flow can be preserved. This stability was the Company's key target in 2013 and, in a way, also in 2012, because this fall in prices was a two-year affair.

With regards to mining investments, AMG has of course sacrificed strategic investments in order to preserve stability. The investments in mining mostly go into the Brazil tantalum niobium mining operation. The reason for this is partly that the Company has long-term contracts. All of AMG's capacity in the Brazil mine have been sold out at fixed prices. This is an interesting business and the Company is fortunate to have negotiated a very good long-term forward contract.

Mr. Ritskes asks if there is a possibility that AMG's competitors in the mining business go bankrupt and what the Company's position is on this. Dr. Schimmelbusch answers that this is continually the case but as AMG has the only certified conflict free tantalum mine in Brazil, no other mines conflict free mines close because they do not exist.

With regards to the statement on risk, Dr. Schimmelbusch points to the close relationship between the Risk Committee and the Audit Committee that have joint sessions on a regular basis. The Company has decided to separate both committees because audit committees are more accounting-oriented and risk committees are more forward-looking. It is interesting to separate those two committees but to have them in this strong communication and it works very well.

Answering the question about the interest coverage ratio, Ms. Ard states that this ratio is 4.7 and the ratio has to be above 4.0. The leverage ratio is 2.15 and has to be lower than 3.0.

Regarding the downscaling of activity, Dr. Schimmelbusch explains that this means the Company's flow sheet has improved. But in most cases AMG can increase production if necessary. It is just a productivity enhancement.

Regarding the concept of the 'green company', Dr. Schimmelbusch states that AMG plans to integrate CO₂ results into the reports. The Company constantly works on this issue. AMG has a very comprehensive environmental health and safety operation which directly reports to him and is run by one of the Company's senior executives. The environmental results are more and more planned and monitored and controlled similar to financial results. It is a system in the making. AMG is market leader in this area, especially in regard to linking environmental performance to quantitative measures. Many people use the word 'green' loosely, but AMG defines it. In the Company's relatively simple definition, AMG needs to prove that CO₂ emissions are reduced to be green. AMG starts to record these effects more and more annually. 'Green' cannot be audited yet, there is no auditor yet for these activities. It is a system in development. Ernst & Young will probably be trying to make money out of that anyhow.

On the question if the health, safety and environmental criteria in the variable remuneration, Dr. Schimmelbusch answers that in each list of the individual targets these are important elements. Mrs. Reijne asks if these criteria are only built into the 20% short term bonus. Dr. Schimmelbusch confirms that this is the case.

Mrs. Reijne refers to the statement that there is no system to control whether the reductions take place and states that there are a number of auditing companies. Dr. Schimmelbusch states that this is a misunderstanding. All of AMG's CO₂ emissions in all plants are completely recorded and budgeted. This is self-explanatory. Dr. Schimmelbusch states that he does not know of any Company that does not have that. It is state of the art. Dr. Schimmelbusch refers to the other, much more important factor, namely the recording of CO₂ emissions which enable a customer to achieve.

Mrs. Reijne asks if this can also be monitored with an LCA approach. She states that there is a possibility to monitor the reduction for AMG's services and products at the Company's clients and in AMG's value chain.

Mr. White states that the Company utilizes the global reporting initiative and the GRI's human rights and ethics indicators that the Company reports on. He does not believe that the Company has a guaranteed living wage in its Code of Conduct but the Company is audited by E&Y and each site is reviewed to ensure that there is no risk from employing child labour or exposing young workers to hazards.

With regards to conflict-free materials, Dr. Schimmelbusch notes that this is a term which has been coined in the tantalum industry as is related to Congo, to the DRC. AMG does not buy any tantalum from the DRC, the Company produces in a conflict-free certified mine in Brazil and this is in part why AMG is market leader in this business.

Dr. Schimmelbusch states that he is not familiar with the term 'true pricing' used by Mrs. Reijne. Which is about recording all elements of cost to society of a particular product or activity. In AMG's case, even if the Company produces highly advanced products, they are still commodities. Commodities have comparable prices and a Company is not a price setter. One does not set the price, one accepts the price which is set by the market.

On the aspect of the circular economy, Dr. Schimmelbusch states that every emphasis is on recycling. Wherever it is possible and where it makes sense economically, AMG develops and applies recycling methods. The latest initiative is in the titanium industry. AMG is market leader in vanadium, molybdenum and nickel. AMG is by far the world's largest recycler in vanadium. This is a growing business and one of the most important businesses of AMG. In titanium there is a big development happening in recycling because of the increased specific use of titanium in aerospace. That is a result of the possibility to create titanium alloys which simulate the performance of nickel-alloy steel, so that they can operate under high operating temperatures, but they are much lighter. This is very attractive to the aerospace industry and titanium is also consistent with composites with regards to its chemical reactions which do not occur as against aluminium. Therefore this is a fast growing material in aerospace. It may be the fastest growing metal of all metals. Since it is very expensive, the end customer and the assembly lines put great pressure on recycling, so that the manufacturing scrap can be re-used. This is very complicated because the manufacturing scrap is alloyed and the mixing of alloys with different alloys leads to loss of the special alloy characteristics. AMG is world leader in that technology because the recycling has to take place in vacuum furnaces, where AMG is leader. AMG is developing these things and is presently building recycling furnaces for titanium furnaces in Nurnberg.

On the question where the Company pays taxes, Ms. Ard states that the Company pays taxes everywhere AMG is profitable and has an operating location. The vast majority of taxes is paid in Germany, but taxes are also paid in the UK, Brazil, France and Belgium. The Company does not pay taxes in countries where AMG is not profitable or where AMG has historical operating losses. The Company currently does not pay taxes in the US because AMG has significant operating losses in the US. The Company pays taxes wherever AMG is profitable. The Company does not have complex tax strategies à la Starbucks or any of those companies that would help AMG avoid taxes. Ms. Ard states that she would like to avoid more taxes if possible.

Dr. Schimmelbusch states that AMG now has a certification process and passes the word to Mr. David White, the head of AMG's environmental health and safety operation. Mr. White states that AMG is

very committed to be externally audited and certified. The Company started about three years ago with the safety systems. Ten of AMG's facilities are now certified with ISO 18001 and many more facilities are on the brink of being certified. Hopefully in 2015 it can be reported that the majority of AMG's larger facilities are ISO 18001 certified. AMG has also started a programme to implement ISO 14001. AMG now has five ISO 14001 certified facilities and a programme to roll this out across AMG's businesses. With regards to the ISO 50.001 energy programme, at the moment AMG only has one facility that is ISO 50001 certified. But this facility accounts for 50% of AMG's energy usage. That is the silicon metal factory in Germany. AMG has just one more facility that is on the brink of being certified, but at the moment there is no programme to roll that out across the Company.

Dr. Schimmelbusch addresses the question to explain the chart showing the various metal prices and answers that when the chart is normalized at 0 and the highest at 10 so that they can be compared. Then it can be seen from the positioning where the metal prices are now in regards to the 10-year position Max and Min. For example tantalum, niobium, antimony and silicon is about in the middle, not very low and not very high. That is somehow related to the performance of AMG Mining which was not that bad this year. It can be seen that molybdenum, nickel, ferrovanadium and titanium were very low. That is a big problem for the Company if these prices are very low. Chromium was also in the middle. But in chromium AMG has a conversion operation and the results are less dependent on whether the prices are high or low. It is more dependent on how AMG can match the chrome oxide which is the raw material with the chrome metal which is AMG's product. If this can be matched in a good way then even when the prices are low, one can realize a decent result. Dr. Schimmelbusch confirms that the colours of the chart will be improved.

Asked about mining in Africa, Dr. Schimmelbusch answers that AMG is involved in a mine in Zimbabwe where graphite is produced. AMG will be involved in a mine in Mozambique for graphite. Dr. Schimmelbusch explains why graphite is a very critical material and will be more so in the future. The graphite demand of the facility which is announced by Tesla to be built in America for lithium ion batteries would imply over 100,000 tonnes of natural graphite for the anodes (there is more graphite in batteries than lithium). This would imply an enormous scarcity because as mentioned, these qualities of graphite are available in maximum quantities of 50,000 to 200,000 tonnes per year. An additional demand of 100,000 tonnes is obviously a dramatic event. Mining in the European segment is antimony, silicon and graphite. Graphite is the smallest but has the highest growth aspect. AMG is very proud to have a mine in Bavaria.

The Chairman concludes that the questions posed earlier have been covered and asks if there are any other questions.

Mr. Soininen addresses the Chairman, the members of the Boards, the fellow shareholders, and the ladies and gentlemen present. He takes the floor and states that he represents the RWC European Focus Fund. With 14% of the stock RWC is the largest shareholder of AMG. Mr. Soininen explains that RWC is a long-term oriented shareholder based in London. As it does with all its investments, RWC has been in close contact with the Company and Dr. Schimmelbusch in particular as well as some of the larger shareholders over the past months discussing value creation opportunities related to strategy, operations as well as corporate governance.

AMG is a great investment opportunity. AMG has several great assets in niche mining and metals activities and great technology in engineering. RWC also thinks this represents a great investment opportunity as AMG's share price significantly undervalues the potential and the Company has an attractive opportunity to unlock that value by optimizing its portfolio and operating performance. RWC therefore welcomes the Company's recent initiatives to focus on operational performance and streamlining the portfolio as reiterated today in the Q1 earnings update.

In regards to remuneration, it is RWC's view that executive remuneration is an essential part of good corporate governance as it can help to align management with the shareholders of the Company. RWC European Focus Fund is therefore a supporter of allowing management teams good pay packages when they create sustainable, substantial, shareholder value. In the case of AMG, RWC feels that the rewards for management and the rewards for shareholders have not been balanced over the past years. It is RWC's honest opinion, based on fact-based analysis that AMG's remuneration policies and/or implementation of those policies are in need of reviewing.

Talking about 2013 remuneration, in the view of RWC, the 2013 management remuneration has been high. Whilst RWC welcomes the management's initiatives to pro-actively reduce working capital which

have improved operating cash flow, RWC notes that also in 2013 the Company made a net loss and did not make a return that exceeded its rated average cost of capital. That all means that remuneration is generous in actual terms but also in relation to the Company's market capitalization and operating profit. In relation to its peer group, as stated in the Annual Report, it is worth mentioning that AMG is one of the smaller companies, yet it has one of the highest remunerations in the peer group. Furthermore, in the Dutch context, the compensation for the CEO over 2013 is the highest by a wide margin in the Amsterdam Smallcap Index. Regarding AMG's remuneration since the IPO, more broadly, RWC finds that the overall compensation packages have been awarded to the management since the IPO are not well aligned with the Company's size, operational performance and total shareholder returns. Since the IPO the management team has been awarded around 67 million USD in cash compensation, which represents roughly a quarter of the Company's current market capitalization. During this period, the Company has lost more than 70% of its value, has not paid any dividends and has cumulative net loss of 130 million USD since 2008 and 122 million if the year 2007 in total is included.

Regarding remuneration policy, RWC acknowledges that the remuneration policy was changed and approved by shareholders last year, RWC European Focus Fund included. What matters most to RWC as shareholders is that the awarded packages, in RWC's opinion, are disproportionate to the value creation for shareholders. Therefore RWC urges the Company to reassess its remuneration practices and to align them better with AMG's absolute and relative level of shareholder value creation. As said, RWC thinks that AMG has a great opportunity to create a lot of value for its shareholders, and what RWC wants is that the executive remuneration in the best possible way supports that end.

The Chairman thanks Mr. Soininen and asks if Dr. Schimmelbusch would like to comment on the presentation by Mr. Soininen. Dr. Schimmelbusch gives the floor to Mr. Messman. Mr. Messman states that he understands the points being made and that he believes that the best compensation philosophy is to pay a high performer at the highest rate because it is the lowest expense. High performers being paid well is the lowest expense and AMG would like to have high performers working at the top. AMG believes the way that the Company's system works, AMG provides the opportunity, if they do not perform, they do not realize anything from it. Mr. Messman states that this was the point that he was trying to make in his presentation. It accomplishes alignment between shareholders and the management team. When they do not achieve their objectives, or they do not make the improvements, so it is a built-in correcting mechanism. That is why the Company has this remuneration policy. The long-term incentives for the management team are focussed on alignment with shareholders' Return on Capital Employed with regards to other metrics. Bonuses are set every year, this group of people looks at the annual bonus and the Remuneration Committee decides whether or not it makes sense, given that the details of all the problems the Company is facing, are known. The targets are set, and as mentioned, last year the management team did not achieve the targets and got zero. In 2013 the management team did not pass the ROCE gate, but the management team did a fantastic job on operating cash flow. This more than offset the loss to the management team when they did not make Capital Employed. Nevertheless, the Company then took a 25% reduction in the bonus reward that year because the Company thought that it was warranted given the conditions in the Company and in the industry. The Company is very focused on aligning shareholder value and executive compensation that is the primary purpose of the Remuneration Committee. The Company has the systems that support the objectives of the Company. AMG has retained an outside firm which analyses AMG's performance versus the peer group and determines whether or not the Company achieves those objectives and how the Company stacks up versus the competitors or peers. As said, when AMG measured itself against its peers last year, AMG only came in at 25%. The Company is of the opinion that it has the mechanisms, the formulas in place and the procedures necessary to align shareholders and management compensation.

Dr. Schimmelbusch states that he would like to comment on what Mr. Soininen has said about AMG as a good investment opportunity. AMG agrees with this and Dr. Schimmelbusch hopes that shareholders will make a lot of money because all this would be shared with him because he is a shareholder too. Not as large as RWC unfortunately. Dr. Schimmelbusch states that he has had, as is known, a very intensive communication with RWC about strategy and about corporate governance he appreciates this. There is not one shareholder in the history of AMG who has gotten more, regular, and intensive information on AMG than RWC has received. So RWC as largest shareholder is ranking in the number one spot of recipients of information, and this is very appropriate. The Company, and specially Dr. Schimmelbusch personally, welcomes discussions about strategy because, given RWC's

intensity of analysis, RWC can come to ideas which AMG has overlooked or which AMG adopts. Dr. Schimmelbusch states that he has expressed this many times in conversations with Mr. Soininen and expresses the hope to continue this dialogue so that RWC feels that its ideas are being incorporated in AMG.

The Chairman thanks Dr. Schimmelbusch and asks if there are any further questions.

Referring to the incorporation of EHS objectives, Mrs. Reijne asks if it is possible to report transparently on the sustainability criteria which are built into the profile of the people who are receiving these rewards.

Mr. Jackson assumes that the question was if it is possible to make transparent an individual's performance against safety, environmental and health. Mr. Jackson states that AMG does not do this at present. In some cases AMG has much more challenging businesses and the Company sets objectives of improvement. Mr. Jackson states that it would be difficult for AMG to make this truly transparent. But if VBDO has some specific ideas on this they would be welcome to share. Dr. Schimmelbusch states that internally, AMG sets goals and targets. AMG has monthly, if not more frequent, discussions about performance. In severe cases of violation of AMG's policies, even disciplinary measures are available. For AMG, safety is an unbelievably important issue. When one violates safety principles in the metal industry, the basic values of the Company are violated and there is also an interesting fact: the best performers in safety are also the best financial performers in a very intensive correlation. AMG is making progress here four years in a row, and the Company monitors this extremely tightly. AMG had a system, like any other Company with bureaucratic procedures, which was upgraded to chief executive priority number one. This works. AMG, as said, is not happy with the results, but the Company is making progress four years in a row. AMG has seventeen (17) plants which had zero (0) accidents in 2013. Dr. Schimmelbusch states that this amounts to half of AMG's plants and that is quite something.

Mrs. Reijne states that if AMG is open for it, VBDO has information about how to make sustainable remuneration measurable. Dr. Schimmelbusch states that AMG has a plan that can be communicated outside of the AGM.

Mrs. Reijne mentions her other question about the living wage, of which Dr. Schimmelbusch stated that it was not yet part of the policy. She would like to know if there are plans for the future to incorporate this. Mr. Jackson states that AMG can certainly think about this, and a number of Mrs. Reijne's suggestions have been incorporated in the past. He is sure that nobody in the Company earns minimum wage. AMG generally has very highly skilled employees throughout the Company, but living wage is something the Company can take into consideration.

Mrs. Reijne asks if this also reaches out to the mining industry, which is not so highly skilled. Mr. Jackson answers that AMG's mining operations employ a highly skilled workforce. The mining operations are not labour intensive, they are capital intensive.

Mrs. Reijne adds that she would like to remark that the 'true pricing' is used to have more insight into potential cost savings and risk, regarding the dependency on natural capital and to place financial value on environmental impacts. The 'true pricing' is not meant to set a price in the market, but to become more aware of what the risks are and what the chances are for a Company like AMG.

Dr. Schimmelbusch answers that it is certainly valuable to record, and to try and think about what the implications of each activity are in regards to a comprehensive environmental valuation, and AMG does this. But it is of course a very complex task and it takes a lot of effort and time to make progress in this. AMG is not very far ahead here. AMG is just like every other Company in the beginning stages of such efforts, but AMG is aware of it and it is important.

Mrs. Reijne thanks Ms. Ard for giving more information on the tax per country and also stating that AMG is not really trying to avoid any tax. Mrs. Reijne states that tax is really important for the development of a Company and for the employees that AMG wants to hire. So even though it might not always be nice to pay tax, it is quite important to contribute to our society. Dr. Schimmelbusch adds that in this case it is more in Germany than in Holland. Mrs. Reijne states that VBDO would be happy if it were also possible to publish these insights. Ms. Ard answers that the Company will consider this.

Mr. Verhagen asks how important nuclear energy is for AMG. Dr. Schimmelbusch answers that nuclear energy is important in many ways. Germany, where AMG has plants, is a relatively large electricity consumer and is undergoing the so-called 'Energiewende', the exit from nuclear. That will have very complex consequences for the price of electricity. AMG has tried to shield the Company in its most energy intensive operation by forward purchases of electricity on the exchanges. AMG is happy that the Company is safe for a few years into the future in regards to those electricity price exchanges. This is one aspect. The other aspect is that in between AMG's engineering activities and the graphite activities, the Company's technology position is extremely well suited for having products for the decomposition of the power plants. Because ultimately radioactive parts have to be somehow contained or processed and then contained in particular material matrixes. These require graphite. AMG has developed technologies in this regard and the Company is discussing with the German government how to incorporate these ideas into the decomposition of those power plants. AMG is not involved in that side of nuclear energy.

The Chairman concludes the agenda item and confirms that there are 9,826,230 shares represented. The voting items numbers 3, 4, 5, 7, 8.1 and 9.1 on the agenda may be adopted with an absolute majority of the votes cast, 50% + 1 vote.

The agenda items 8.2 and 9.2 may only be adopted with a two-thirds majority of the votes cast, since as the Chairman has mentioned, less than half of the issued capital share of AMG is represented at this meeting, the binding character of the nominations for the appointment of the Supervisory Board members as included in agenda item 6 can be rejected by an absolute majority of the votes cast, 50% + 1 representing at least one-third of the issued share capital.

3. Proposal to adopt the 2013 financial statements

The Chairman moves to the next item on the agenda, the 2013 financial statements. The proposal is also shown on the screen and, as already indicated by Mrs. Lambert, the full text of each proposal that is put to a vote will be reflected on the screen at the moment the proposal is put to a vote. The Company's Financial Statements have been audited by Ernst & Young LLP accountants, the Company's external auditor, the unqualified opinion may be found on page 138 of the Annual Report.

Before putting the proposal to the vote, the Chairman asks if there are any questions on this item. As there are no questions, the Chairman asks the persons who vote against the proposal and who abstain from voting to raise their hand and to indicate on behalf of which shareholder they vote and for which number of shares.

The Chairman asks who votes against the proposal and who is abstaining. He asks Mrs. Lambert to inform the meeting whether or not the majority of the votes has been cast in favour of the proposal.

Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal. The Chairman confirms that the proposal has hereby been adopted.

4. Discharge of liability of the members of the Management Board for the 2013 financial year

The Chairman moves to the next item on the agenda, which is the discharge from liability of the members of the Management Board for the 2013 financial year. The full text of the proposal is shown on the screen.

Before putting the proposal to the vote, the Chairman asks if there are any questions on this item. As there are no questions, the Chairman puts the proposal to the vote and asks the persons who vote against the proposal and who abstain from voting to raise their hand and to indicate on behalf of which shareholder they vote and for which number of shares.

The Chairman asks who votes against the proposal and who is abstaining and asks Mrs. Lambert to inform the meeting whether or not the majority of the votes has been cast in favour of the proposal.

Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal. The Chairman confirms that the proposal has hereby been adopted.

5. Discharge of liability of the members of the Supervisory Board for the 2013 financial year

The Chairman moves to the next item on the agenda, which is the discharge from liability of the members of the Supervisory Board for the 2013 financial year. The full text of the proposal is shown on the screen.

Before putting the proposal to the vote, the Chairman asks if there are any questions on this item. As there are no questions, the Chairman puts the proposal to the vote and asks the persons who vote against the proposal and who abstain from voting to raise their hand and to indicate on behalf of which shareholder they vote and for which number of shares.

Mr. Soininen, representing the RWC European Focus Fund with 3,550,456 shares states that regarding the discharge of the Supervisory Board and referring to his earlier comments, RWC has some concerns regarding the management remuneration. To give some additional context to RWC's consideration on the Supervisory Board discharge, RWC would like to note RWC's governance concerns are a bit broader than just remuneration. Mr. Soininen mentions: (1) the substantial loss of shareholder value since the IPO, (2) the frequency of the Company's party related transactions directly or indirectly involving the CEO, and (3) RWC's views on the levels of independence of the Supervisory Board. In the AMG Supervisory Board, although members individually appear to have quite credible CV's, several members of the Supervisory Board have been acquaintances of the CEO from the period before the IPO. The key for RWC as a shareholder is to be assured that the Supervisory Board can oversee participation in its decision making with the appropriate level of independence. For the sake of clarity, RWC European Focus Fund forms its own view on the issue of independence and the level of independence in the Supervisory Board and makes no reference to third party definitions.

The Chairman thanks Mr. Soininen and puts the proposal to the vote. He asks the persons who vote against the proposal and who abstain from voting to raise their hand and to indicate on behalf of which shareholder they vote and for which number of shares.

Mrs. Lambert states that she also has votes against the proposal on behalf of certain shareholders that are represented via Euroclear. Mrs. Lambert states that for agenda item 5, she abstains from voting for 1,838,242 shares. Mrs. Lambert states that she understands that Mr. Soininen also voted against this item for 3,550,456 shares.

Mrs. Lambert states that as a result of the vote, she can confirm that the majority of the votes has been cast in favour of the proposal.

The Chairman confirms that the proposal has hereby been adopted.

6. Composition of the Supervisory Board

The Chairman moves to the next item on the agenda, the composition of the Supervisory Board. The Chairman invites Mr. Quinkert to give a presentation on the nomination process of the Selection and Appointment Committee of the Supervisory Board, what it looks at when nominating a person to be appointed as a member of the Supervisory Board.

Mr. Quinkert explains that the Selection and Appointment Committee of the Supervisory Board consisting of Mr. Kuczynski and himself, has been active during the past month to complete its review of the current nominations for the Board as the terms of both Mr. De Selliers and himself will end after this Annual General Meeting of Shareholders. The Supervisory Board has resolved earlier that the Selection and Appointment Committee would be expanded with Mr. Hoyos and Professor Hanke as ad-hoc members for the 2014 nomination process, since Mr. Quinkert would be conflicted as Chairman of the Selection and Appointment Committee.

The Supervisory Board has approved in its meeting of March 18th, 2014 the proposed nominations by the Selection and Appointment Committee including its ad-hoc members and has nominated for re-appointment Mr. De Selliers and himself Mr. Quinkert.

In addition the Selection and Appointment Committee is very pleased and honoured that the Supervisory Board has attracted Mrs. Donatella Ceccarelli to become a member of the Supervisory Board. The Chairman points to Ms. Ceccarelli sitting in the front row.

Mr. Quinkert states that with the appointment of Mrs. Donatella Ceccarelli, the Supervisory Board would bring more balance in the gender composition of the Board which has consistently been high on the agenda of the Selection of and Appointment Committee. The Board is mindful that the size of the Supervisory Board will increase to nine (9) members with the appointment of Mrs. Ceccarelli. But that will be a temporary situation as the Board believes that eight (8) members is the proper size of the Supervisory Board as explained and approved by last year's AGM.

As a more general remark, Mr. Quinkert notes that as could be seen, the Supervisory Board has made a binding nomination for the appointment of Mr. De Selliers, Mrs. Ceccarelli and Mr. Quinkert.

While preparing the nominations, the Supervisory Board realized that given the small amount of votes cast during shareholder meetings of AMG, averaging 26.9% during the last three meetings, the votes actually cast at such meetings may not represent the broader shareholder base of the Company. As a result the Supervisory Board has changed its past practice and has made binding nominations for its - Supervisory Board candidates as permitted under the Articles of Association of the Company. Under AMG's Articles of Association, a majority of the votes cast representing one-third (1/3) of the issued share capital would be able to reject a binding nomination which would in the eyes of the Supervisory Board – in case such an event would occur –represent much better the broader shareholder base of the Company. The use of binding nominations is an accepted mechanism under Dutch listed companies explicitly authorized under Dutch Law and the Dutch Governance Code.

The Chairman thanks Mr. Quinkert for his presentation and proceeds with an explanation on the proposals to re-appoint Mr. Quinkert, Mr. De Selliers and appoint Mrs. Ceccarelli as Supervisory Board members.

The Chairman commences with an introduction on the proposal to re-appoint Mr. Quinkert. After this Mr. Quinkert will discuss the proposed re-appointment of Mr. De Selliers and the appointment of Mrs. Ceccarelli.

The Supervisory Board proposes to re-appoint Mr. Quinkert as member of the Supervisory Board for the maximum term of four (4) years.

The Supervisory Board proposes to re-appoint Mr. Quinkert in view of his relevant operational experience and broad international and management experience and background, his extensive knowledge of the business of the Company and the outstanding way he fulfils his role as member of the Supervisory Board and Chairman of the Selection and Appointment Committee. The details of Mr. Quinkert can be found in the Explanatory notes to the Agenda for this meeting and on AMG's website.

The Chairman gives the floor to Mr. Quinkert. Mr. Quinkert states that the Supervisory Board proposes to re-appoint Mr. G. de Selliers for the maximum term of four (4) years. The Supervisory Board proposes to re-appoint Mr. De Selliers in view of his financial background and expertise in the mining and metals industry as well as his broad international and management experience and the outstanding way he fulfils his role as member of the Supervisory Board and Chairman of the Risk Management Committee and previously fulfilled his role as Chairman of the Audit Committee. The details of Mr. De Selliers can be found in the Explanatory notes to the Agenda for this meeting and on AMG's website.

The Supervisory Board furthermore proposes to appoint Mrs. Donatella Ceccarelli as member of the Supervisory Board for the maximum term of four (4) years. The Supervisory Board proposes to appoint Mrs. Ceccarelli as member of the Supervisory Board in view of her extensive background and experience in the field of equity markets, mergers & acquisitions and risk and asset management. The details of Mrs. Ceccarelli can be found in the Explanatory notes to the Agenda for this meeting and on AMG's website.

Having said this, Mr. Quinkert asks the Chairman to proceed with the voting regarding the proposed appointments.

The Chairman asks if there are any questions.

Mr. Wildschut, a colleague of Mr. Soininen from RWC European Focus Fund, takes the floor and addresses the shareholders, the Chairman and the members of the Supervisory Board and the Management Board on this agenda item. Mr. Wildschut echoes Mr. Soininen's remarks that AMG is a very interesting Company, a very good Company and a very attractive investment opportunity for shareholders. Mr. Wildschut states that any critical points or points on individuals which can be perceived as critical should be seen in the light and the context of RWC's overall governance concerns and RWC's perception that this is a good moment to renew the Supervisory Board of AMG for several reasons.

With regards to agenda item 6, Mr. Wildschut states that he wishes to put forward two issues. One issue regards the procedure which has already been explained by Mr. Quinkert and Mr. Kuczynski. The other issue regards the individual candidates. With regards to the procedure, Mr. Wildschut notes that agenda item number 6 basically appears to constitute two proposals in one: to nominate and appoint three (3) members to the Supervisory Board and to increase the size of the Supervisory Board. RWC also notes that these votes, both the implicit one and the more explicit one are made in a binding fashion. RWC objects against both the binding nature of these proposals as well as the absence of a separate proposal to expand the Supervisory Board. With regards to the increase of the Supervisory Board according to article 19.2 and 19.3, the General Meeting determines the number of Supervisory Board members and thus RWC thinks that there should be a separate item on the agenda to determine the size of the Supervisory Board.

RWC also thinks that it is not appropriate to have a binding vote on the issue of the size of the Supervisory Board, nor that it is appropriate to mix up the vote of the size of the Supervisory Board with the voting on the nominations for specific candidates.

On the binding versus the non-binding vote for Supervisory Board members, Mr. Wildschut states that according to article 19.4 of the Articles of Association, in the case a Supervisory Board member must be appointed, the Supervisory Board shall be authorized to prepare a binding nomination.

The nominations in today's AGM should be non-binding for two reasons. Firstly, given that the Articles of Association only determine that the Supervisory Board should consist of at least three (3) members, there is no justification or need or necessity for any of the three nominations to be binding. Secondly, also the fact that, until now, expansions of the Supervisory Board were never realized through binding nominations but through regular nominations, despite the fact that the turnout numbers during the past three AGM's were even lower than at the current AGM, further supports the notion that a binding nomination is not applicable. Mr. Wildschut concludes by stating that these nominations are not binding. The 'must' requirement has not been met and this causes legal uncertainty about the status of the newly appointed members. RWC is concerned that this uncertainty is not in the interest of the Company or its stakeholders. RWC requests that the Company withdraws these proposals. Furthermore, in the event the majority of the votes present at the meeting votes against the nominations, the implicit expansion of the Supervisory Board should be regarded as voted down, irrespective of the one-third (1/3) threshold in the view of RWC.

Mr. Wildschut pauses before discussing the actual nominations of the three (3) candidates because this is a procedural point. Mr. Wildschut asks Mr. Quinkert if he would like him to proceed.

Mr. Quinkert states that on the procedural point he would like to ask the lawyers from De Brauw to answer that technical point.

Mr. Van Olffen thanks Mr. Quinkert and states that he thinks that it is fair to say that most companies in the Netherlands when they have a vote on the appointment of new supervisory directors, and also by extension of the Supervisory Board, take this as one resolution, simply for efficiency purposes. One vote rather than two votes. As Mr. Quinkert also mentioned in his statement when the majority of the shareholders vote in favour of the person to be appointed as a supervisory director, this means implicitly a resolution to expand the Supervisory Board. As to the binding nominations used by AMG, Mr. Van Olffen thinks that it is clear that the Articles of Association provide the opportunity for the Supervisory Board to prepare a binding nomination for the appointment of Managing Directors and Supervisory Directors and it is the discretionary authority of the Company to make use of that.

Mr. Wildschut states that this is true and that RWC has read the Articles of Association. While he is not a lawyer, the Articles of Association clearly state that only in cases where the Company *must* appoint

Supervisory Board members, *only* in that case the Company has the authority to make binding nominations. Mr. Wildschut says that he has either misunderstood Mr. Van Olffen's answer, or that Mr. Van Olffen has not actually answered that part of the question.

Mr. Van Olffen, with permission of Mr. Quinkert, states that he is happy to respond. If, of course, one takes a literal interpretation of a sentence where a Company *must* appoint a Supervisory Director, there would never be an opportunity for the Company to make use of the binding nomination because there is never a situation where a Company *must* appoint a Supervisory Director. Having said that, if the Company proposes to appoint a Supervisory Director and the Articles of Association allow the Company to make use of the concept of a binding nomination, the Company can do so.

Mr. Wildschut states that he wants to reiterate RWC's objection and would like to proceed with his comments on the individual candidates.

The Chairman states that he thinks that the process question has been concluded and now the Meeting can continue with the candidates.

Mr. Wildschut states that with regards to the specific proposed candidates, RWC has said before that in RWC's view this is a natural moment to renew the Supervisory Board. The individuals concerned have very credible CV's and as a general notion their experience should allow them to work effectively of Supervisory Boards of listed companies. With regards to the candidatures of Mr. Quinkert and Mr. De Selliers, RWC notes that both have had business relationships with the CEO already from before the IPO. For clarity, RWC is not suggesting that Mr. Quinkert and Mr. De Selliers would act inappropriately. But shareholders need to be assured that the Supervisory Board is independent. In the light of RWC's governance concerns, the need for renewal of the Supervisory Board in particular, the need to improve the independence of the Supervisory Board as RWC defines it, RWC will vote against these nominations.

As to the nomination of Mrs. Ceccarelli, Mr. Wildschut states – again without any prejudice or without any judgement on Mrs. Ceccarelli's professional performance and achievements – that RWC struggles to find an obvious match between her competence base and experience set and the characteristics that RWC deems essential for new Supervisory Board members in the coming period when AMG intends to reshape its portfolio of activities as well as to focus on operational excellence. Therefore RWC is unable to support the nomination of Mrs. Ceccarelli to the Supervisory Board.

On the implicit proposal to increase the size of the Supervisory Board, RWC does not support the implied proposal to expand the Supervisory Board. In RWC's view, an eight (8) person Supervisory Board is already rather large for a Company of AMG's size. RWC sees no need for or benefit from a further expansion. As a final remark, Mr. Wildschut, RWC reiterates that AMG has a great opportunity to streamline its business portfolio and to improve its operational performance. With the recently announced strategic shift RWC would therefore welcome if the Supervisory Board is refreshed to meet the Company's challenges in this strategic transformation.

Mr. Quinkert asks Mr. Wildschut to repeat what RWC's definition of 'independence' means, because RWC strikes a new definition of the word 'independence'. Mr. Quinkert quotes Mr. Wildschut as having said 'independence' as RWC (Mr. Wildschut) defines it and asks what this means.

Mr. Wildschut answers that RWC recognizes that AMG can have a lot of technical discussions, and there are probably a lot of professors who all have different opinions about what is independent and what is not independent. Mr. Wildschut states that he guesses that Mr. Quinkert referred to that underlying issue and challenge. RWC is a shareholder in this Company and RWC wants to be assured, to have the assurance, that RWC is represented in an independent fashion in overseeing the Company in all its areas of activities. For RWC the definition is that RWC gets the assurance and has the assurance based on all the facts available to RWC, that RWC is represented in an independent fashion.

Mr. Quinkert concludes that this is Mr. Wildschut's personal opinion as to the independence of each of the Directors. Mr. Wildschut answers that this is true. He notes that RWC went to great lengths to get to an assessment whether RWC could have comfort and assurance that there is a level of independence. For example, RWC has requested to have meetings with individual candidates. RWC has assessed all the CV's to see if there have been previous links with the Company, which there are.

This is an undisputed fact. All these elements taken together have meant for RWC as a shareholder that RWC could not get enough assurance that RWC is represented in a fully independent fashion.

Mr. Quinkert states that with respect to the 'independence' issue, all members of the Supervisory Board qualify as independent according to best practice provision, Article 2.2 of the Dutch Corporate Governance Code and under the independence criteria set by ISS. This is the formal point of view. As an informal point of view, I disagree with Mr Wildschut that candidates should not know the CEO or other Board members. Mr. Quinkert confirms that it is very important that one knows who is the candidate for the Supervisory Board, who is proposed, Mr. Quinkert thinks this is an important thing. If Mr. Wildschut has dealt with this future member of the Supervisory Board before, Mr. Quinkert asks what the problem is with that because Mr. Wildschut already knows that he (the candidate) has the knowledge, the skill-set and those things that one needs in that situation. In so far Mr. Quinkert states that he cannot follow Mr. Wildschut's comment on the independence and as Mr. Wildschut certainly knows, RWC itself has proposed two (2) candidates for the Supervisory Board. The process though was very late and the Appointment and Selection Committee could not take them on for the process for 2014. However, the Appointments and Selection Committee has interviewed them yesterday here in Amsterdam and the Selection and Appointment Committee/Supervisory Board will certainly put them into the process for 2015, for the next AGM. Do they have a track record, are they highly qualified, have they been insolvent, et cetera, et cetera. There are numerous questions on certain candidates and the Selection and Appointment Committee and the Supervisory Board wants those questions answered. If those questions are answered, the Selection and Appointment Committee can propose them as candidates for the Supervisory Board. That is the Supervisory Board's definition of independence, if you will. This is one thing. Secondly Mr. Quinkert states that Mr. Wildschut mentioned that he (RWC) has doubts about the qualifications the Supervisory Board. Mr. Quinkert states that he has prepared a little note on all the members of the Supervisory Board and that he has itemized in columns how they know the resources industry, what they know about the engineering industry, where they have worked globally, internationally and locally and what their knowledge and skill-set is on finance issues. Mr. Kuczynski was a Minister of Mines, and he was involved with ALCOA. The Chairman states that he was with the Mining Division of ALCOA. Mr. Quinkert states that Mr. Kuczynski is involved in steel, he is working in both of the America's, North America, South America and he has finance experience because he was with Credit Suisse.

Mr. Quinkert states that Mr. Messman was in the CEO of Union Pacific Resources. Mr. Quinkert states that Mr. Messman worked mostly in the United States. Referring to himself, Mr. Quinkert worked for forty years for GE and Motorola, and he has significant experience in the engineering industry because GE is a big player in this industry. Mr. Quinkert adds that he worked in the EU all the time and in China and is Chairman of a corporation in China.

Mr. Quinkert states that Mr. Hoyos has been deeply involved with KPMG. He was the European Head of the Board of KPMG and is working in the EU and in China. So his credit goes more to EU and China.

Mr. Depp is new in the Supervisory Board. He is on the Board because AMG has a lot of work with the aerospace industry. Mr. Quinkert states that this has been discussed earlier during the meeting, such as how much AMG is involved with turbine blades, with Pratt & Whitney, with Rolls Royce and GE. Mr. Depp comes from GE and Boeing. He was acquired by GE and then became the Director of Commercial Aviation in GE and Mr. Depp's experience is also in the EU and China and obviously the US.

Mr. Quinkert mentions that Mr. De Selliers is deeply involved in the business of minerals and resources, he was on the Board of Norilsk Nickel, which is a very large entity in Russia, and he is on the Board of Solvay which is the largest chemical Company in Belgium. His experience is mostly in the EU and in Eastern Europe. AMG also wanted someone with Eastern Europe on their CV. From a finance point of view Mr. de Selliers was on the Management Committee of the EBRD.

Mrs. Wolf is also relatively new on the Supervisory Board. Mr. Quinkert mentions that Mrs. Wolf is in the resources industry because she is the CFO of Evonik. Evonik is a large German Company with more than 10 billion Euros in revenues, active in chemicals and materials in the EU, Asia and the US. Mrs. Wolf is the Chief Financial Officer. Her credibility in Finance should not be debated.

Professor Hanke is guiding the Supervisory Board when it is too practical, Mr. Quinkert explains, and gives the Board the theoretical background. Professor Hanke is responsible for, and watches, global markets from his point of view and always gives the Supervisory Board corrections. From a finance point of view, professor Hanke is involved in the Bank of Kuwait. Professor Hanke adds that he has practical experience too and he was President of Toronto Trust Argentina in Buenos Aires, the best performing Mutual Fund in the world. So every year there was one fund that won.

The Chairman suggests that the meeting should proceed with the vote. The meeting has listened to all this. The Chairman states that he thinks that it is unfair to suggest the Directors are not independent because the Board knew Dr. Schimmelbusch forty years ago in mining school or something like that. The Chairman states that the Supervisory Board is very independent, the Board is not trying to warm a seat. For example, the Chairman's own term ends next year and that will be 'Auf wiedersehen, goodbye'. The Supervisory Board is mostly paid in shares so the Supervisory Board has a very big interest, like the other shareholders, to get the values of these shares up. But as this meeting makes very clear, this business has suffered terribly since the crisis in 2008. The shareholders have seen how the prices of several of these metals are very weak at the moment. So the strategy has to be how to create value. The Chairman states, having run four private equity funds over the last twenty years, that he would certainly not go to the companies in which he invests his investor's money and say that they are destroying value. He would say to them: "let's see how we can build this thing together". That is the important point to make here. The Chairman states that he is happy to collaborate and he visits Europe every three months, and does not suggest that the shareholders take KLM to see him in Lima even though it's a beautiful flight, because it is a 14 hour flight. The Chairman calls on the shareholders to work together on that and suggests, if there are no other comments, to go to the vote.

a. Mr. Norbert Quinkert.

The first candidate to vote on is Mr. Quinkert. As Mr. Quinkert cannot propose himself, the Chairman offers to propose Mr. Quinkert and it will be clear who is against the proposal.

Mrs. Lambert states that she votes on the voting instructions she has received for 666,320 shares and she sees that the shareholder RWC is voting against as well. As there are no abstentions, the Chairman asks Mrs. Lambert if the proposal has been adopted.

Mrs. Lambert confirms that a majority of the votes has been cast in favour of the proposal.
The Chairman thanks Mrs. Lambert and congratulates Mr. Quinkert on his re-appointment.

b. Mr. Guy de Selliers

The Chairman moves on to the proposal to re-appoint Mr. De Selliers, as also shown on the screen. The Chairman asks who is against the proposal and notes that RWC will vote against the proposal. Mrs. Lambert states that she votes against for 7,320 shares. As there are no abstentions, the Chairman asks Mrs. Lambert if the proposal has been adopted.

Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal.
The Chairman thanks Mrs. Lambert and congratulates Mr. De Selliers on his re-appointment.

c. Mrs. Donatella Ceccarelli

The Chairman moves on to introduce Mrs. Ceccarelli. As could be read, Mrs. Ceccarelli has an extensive financial background. She is currently the head of the Flick Family Foundation. Before that, Mrs. Ceccarelli worked at Lehman Brothers and other distinguished firms, most of which still exist [laughter]. The Chairman asks who is against the proposal. Mrs. Lambert states that based on voting instructions received from shareholders present in this meeting, she is voting against for 666,320 shares and she notes that RWC is voting against as well. As there are no abstentions, the Chairman asks Mrs. Lambert if the proposal has been adopted. Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal.

The Chairman thanks Mrs. Lambert and congratulates Mrs. Ceccarelli on her appointment.

7. Re-appointment Auditor

The Chairman moves to the next item on the agenda, the re-appointment of Ernst & Young LLP as external auditor of the Company for the fiscal year 2014. The Audit Committee of the Supervisory Board has completed a full assessment and review of the functioning of Ernst & Young Accountants LLP in the 2012 financial year as part of its regular review process of the external accountant which takes place every three (3) years and has elaborated on this review process during the previous Annual General Meeting which was held in May2013. On the basis of the result of this assessment

and review and the performance of the auditor during the 2013 financial year, it is proposed to re-appoint Ernst & Young LLP as external auditor of the Company for the 2014 financial year.

The Chairman asks if there are any questions. Since there are no questions the Chairman puts the proposal to the vote and asks who is against or abstaining. Mrs. Lambert states that there are no votes against or abstentions. Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal.

The Chairman confirms that the proposal has been adopted and thanks Mrs. Lambert.

8. 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

The Chairman moves to item 8.1. on the agenda which is the proposal to authorize the Management issue shares and/or grant options to acquire shares.

The Chairman states that the full text of the proposal is shown on the screen. This authorization would provide flexibility in financing the Company and enables the issue of ordinary shares or grant right to subscribe for ordinary shares in respect of share based compensation plans for employees.

The Chairman asks if there are any questions. Since there are no questions the Chairman puts the proposal to the vote. Mrs. Lambert states that based on the voting received, she votes against for 661,404 shares and she sees that RWC is also voting against. Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal (8.a) and that the proposal is adopted. The Chairman confirms that the proposal has been adopted.

Next the Chairman moves to item 8.2. on the agenda which is the proposal to authorize the Management Board for a period of 18 months as of May 8, 2014, i.e., up to and including November 7,2015, subject to the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights accruing to shareholders.

The Chairman asks if there are any questions. Since there are no questions the Chairman puts the proposal to the vote. The Chairman asks who is against the proposal.

Mrs. Lambert states that based on voting instructions received she is voting against for 661,404 votes and she sees that RWC is also voting against the proposal. Mrs. Lambert confirms that as a result, not more than two-thirds (2/3) of the votes have been cast in favour and therefore the proposal is rejected. The Chairman confirms that the proposal is not adopted.

9. 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 the purpose of mergers, acquisitions, strategic alliances, and financial support arrangements (relating to the Company and/or participations (deelnemingen) of the Company)

The Chairman moves to item 9.1. on the agenda which is the proposal to renew the authorization to issue shares and grant options to acquire shares in the Company's share capital for the purpose of mergers, acquisitions and financial support arrangements and/or participations.

An additional matter under this agenda is the renewed authorization to restrict or exclude the pre-emptive rights in relation to such an issue. The renewal of authorization provides the Management Board with flexibility in the context of mergers, acquisitions and financial support arrangements and participations.

The Chairman asks if there are any questions about this proposal. Since there are no questions the Chairman puts the proposal to the vote. The Chairman asks who is against the proposal.

Mrs. Lambert states that on behalf of instructions received from shareholders she is voting against for 662,163 shares and she says that there are no abstentions. Mrs. Lambert confirms that the majority of the votes has been cast in favour of the proposal.

The Chairman confirms that the proposal has been adopted.

Next the Chairman moves to item 8.2 on the agenda which is the proposal to authorize the Management Board for a period of eighteen months (18 months) subject to the approval of the Supervisory Board, to restrict or exclude the pre-emptive rights.

The Chairman asks if there are any questions about this proposal. Since there are no questions the Chairman puts the proposal to the vote. The Chairman asks who is against the proposal. Mrs. Lambert states that on behalf of instructions received from shareholders she is voting against for 2,500,405 shares and she says that there are no abstentions.

Mrs. Lambert confirms that more than two-thirds (2/3) of the votes have been cast in favour of the proposal. The Chairman confirms that the proposal has been adopted.

10. Renewal of the authorization to acquire shares

The Chairman moves to the proposal to renew the authorization to acquire shares in the Company's share capital. The full text of the proposal is shown on the screen. This 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 options schemes.

The Chairman asks if there are any questions about this proposal. Since there are no questions the Chairman puts the proposal to the vote. The Chairman asks who is against the proposal and who abstains. Mrs. Lambert states that there are no abstentions. Mrs. Lambert confirms that the majority of the votes have been cast in favour of the proposal. The Chairman confirms that the proposal has been adopted.

11. Any other business

The Chairman moves to the last item on the agenda and invites the shareholders to ask questions with respect to items that have not been previously discussed.

On a question by Mr. Verhagen (VEB) about the Company's headquarters and the number of employees working there, the Chairman confirms that the Company's headquarters are located in The Netherlands and the number of employees working and based there is three (3) and that it is not a post address as the Board members and other employees frequently visit and work from the Amsterdam office. The CEO adds that he is part of the virtual headquarters and that he lives in Lufthansa [laughter]. The Chairman adds that AMG has a global operation, which is managed by visiting the different sites by air.

Mrs. Reijne (VBDO) asks about the balanced Supervisory Board. Referring to the comment by Mr. Quinkert that a balanced Supervisory Board is very important, she asks if that balance is meant to be on the part of diversity. VBDO thinks that it is important that there are enough females and other people present in the Supervisory Board and in the Management Board. VBDO would like to know if AMG seeks or tries to find more female members of both the Supervisory Board and the Management Board. Dr. Schimmelbusch confirms that for the Management Board, the Company was very successful, and now consists of 33% female members of the Board. Mrs. Reijne states that 40% is the advised percentage. Mr. Quinkert adds that the Management Board is getting close. [laughter] The Chairman states that this makes him nervous but that he cannot change his gender [laughter]

Dr. Schimmelbusch points out that the Supervisory Board now consists of two female members and that it is the Board's desire to get even more, but that is not so easy. Dr. Schimmelbusch adds that on the second level in the Company, which are the men and women who run the business in the various countries involved in metal and materials, it is very difficult to find women who can achieve top positions because of the highly technical nature of AMG's business, there are not many women who pursue that career path, but the Management Board tries very hard. The Chairman states that AMG is most successful with regards to its operations in Brazil. The percentage of women there is very high and this gender issue is very important for the Management Board and the Supervisory Board which now consists of two women supervising the Company. Two (2) is 100% more than one (1). Mrs. Reijne states that she is very happy with this, but she wonders if there are any specific plans to increase the gender balance. Sometimes companies have more advertisements or more investments to attract

women in the scientific and technical studies. These are ways to attract more females into technical companies like AMG. The Chairman confirms that AMG is working on this.

12. Closing

As there are no more questions, the Chairman thanks all present for their participation and closes the meeting.